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East Asia

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Japan

Murayama Sends Messages to G-7 Members

OW0107151194 Tokyo KYODO in English 1433 GMT
1 Jul 94

[Text] Tokyo, July 1 KYODO—Prime Minister Tomiichi Murayama wired messages Friday [1 July] to the leaders of six other economic powers pledging to maintain Japan's foreign policy from the previous government and to continue policy coordination with them, aides said.

The unusual move came a week ahead of a summit in Naples, Italy, of heads of government or state from the Group of Seven (G-7) nations in a bid to defuse concern over the Murayama government headed by the first socialist premier in 47 years in Japan, who was sworn in Thursday.

The July 8-10 summit will mark Murayama's debut on the international scene. The 70-year-old chairman of the Social Democratic Party (SDP) [of Japan—SDPJ] has no foreign policy experience.

Murayama was quoted as telling the leaders of Britain, Canada, France, Germany, Italy and the United States in his messages that Japan is "strongly conscious" of the role expected of Tokyo by the international community.

He also assured them that Japan will maintain the continuity of its foreign and security policies, put all its energies into securing political stability so as to cooperate with the international community in tackling important problems, and continue efforts for economic growth led by domestic demand, giving priority to policy coordination with the G-7 partners, officials said.

Earlier in the day, Murayama telephoned U.S. President Bill Clinton to offer similar assurances.

Among other things, Murayama told Clinton that the new Japanese Government will adhere to bilateral security arrangements, saying that relationship between the two countries forms the axis for Japan's foreign policy, officials said.

The prime minister also made a call to South Korean President Kim Yong-sam, expressing his hope for a bilateral meeting in Seoul at an appropriate time.

Murayama Said 'Well-Prepared' for G-7 Summit

OW0507125594 Tokyo KYODO in English 1221 GMT
5 Jul 94

[Text] Tokyo, July 5 (KYODO)—Japan's new Prime Minister Tomiichi Murayama will certainly perform well when he makes his diplomatic debut at the upcoming Group of Seven (G-7) summit of major industrial nations in Naples, Italy, a top Foreign Ministry official said Tuesday [5 Jul].

"He is very well prepared and his comments will be on the mark," Deputy Foreign Minister Hiroshi Fukuda said in assuring Japanese reporters of the Socialist Democratic Party [of Japan] leader's diplomatic competence to adequately represent Japan at the three-day talks starting Friday.

"I cannot see that there exists any sort of problem," he said, downplaying media speculation to the contrary.

Fukuda drew reporters' attention to the fact that Murayama has made it clear in his public remarks that he will effect no change in the country's basic diplomatic policies during his term of office.

Murayama's party has long been critical of the diplomatic policies of the Liberal Democratic Party, with which it now shares the reins of power in a coalition government.

Hashimoto Likely To Meet Kantor in Naples

OW0407071294 Tokyo KYODO in English 0656 GMT
4 Jul 94

[Text] Tokyo, July 4 KYODO—Japan's trade minister and the U.S. trade chief are expected to meet in Naples to exchange views on a wide-range of bilateral issues, including trade "framework" issues, a senior Japanese trade ministry official said Monday [4 Jul].

The expected meeting will be "a get-acquainted session" for International Trade and Industry Minister Ryutaro Hashimoto and U.S. Trade Representative Mickey Kantor, said Hideaki Kumano, vice international trade and industry minister.

Kumano said a specific date for their meeting has yet to be fixed.

Some newspaper reports said they will meet Thursday, one day before the start of the Group of Seven (G-7) summit in Naples.

Kumano said neither side will be in a hurry to reach a final accord on the trade framework talks during their Naples meeting.

Tokyo and Washington earlier agreed not to set a deadline for the settlement of the trade talks, Kumano said.

G-7 Summit Said To Confirm Currency Cooperation

OW0407134694 Tokyo KYODO in English 1327 GMT
4 Jul 94

[Text] Tokyo, July 4 KYODO—The final draft of an economic declaration for the upcoming Naples summit confirms international cooperation for currency stabilization, government sources said Monday.

The Group of Seven (G-7) key industrial nations' draft declaration, obtained by KYODO NEWS SERVICE,

also urges Japan and Germany to take further fiscal and monetary steps to help buoy up domestic demand.

The draft shows the G-7 nation's resolve to devise ways to stabilize the turbulent currency markets as part of G-7 efforts to ensure sustained world economic growth.

Currency stabilization will be addressed in talks on ways to achieve world growth and employment, the top issue on the economic agenda for the summit, which will begin in the Italian port city for a three-day run starting Friday, the sources said.

The draft states that the world economy is generally on a recovery track.

But, in an apparent reference to Japan and Germany, the draft urges countries that have yet to achieve sustained growth to pursue further fiscal and monetary steps for expansion of domestic demand.

A major pillar of the economic declaration, to be released Saturday, prescribes a set of remedies designed to stimulate global job growth at a time when 35 million people are out of work among the 25 member countries of the Organization for Economic Cooperation and Development (OECD).

The remedies range from review of jobless benefit systems, structural reforms of the labor market and formulation of macroeconomic steps to increased investment for technological innovation and worldwide job creation projects such as "the information superhighway" scheme of the United States.

In the draft declaration, the G-7 countries propose offering 1.5 billion dollars in aid for Ukraine as a way to ensure the safety of its outmoded nuclear power plants.

The aid, to be endorsed by an international conference in Canada next spring, would partly finance closure of two reactors still in operation at the Chernobyl plant and reinforcement of the safety shield of the exploded reactor at the plant.

The remainder of the sum would be used to remodel several other reactors currently under construction in the former Soviet republic, the sources said.

The draft declaration also states the G-7 group will write off 67 percent of official debts owed by the world's poorest nations, up from 50 percent at present.

As part of efforts to salvage developing countries, Japan will promise 1.3 billion dollars in aid to South Africa to help democracy take hold in the country, according to the draft.

The G-7 countries call for early ratification of trade rules recently concluded under the Uruguay Round of multi-lateral trade negotiations.

The draft states the G-7 countries will propose linkage of trade issues with environmental, investment and competition policies.

The G-7 nations will agree to raise the ceiling on Russia-bound lending by the International Monetary Fund (IMF) and a new allocation for Russia in the IMF's special drawing right, according to the draft.

The draft states the G-7 will study preventive measures against money laundering in connection with arms trade, an issue that has greatly afflicted the host country of Italy.

Coordinated Steps To Tame Yen 'Unlikely' at G-7 *OW0307015094 Tokyo KYODO in English 0112 GMT 3 Jul 94*

[By Keiji Urakami]

[Text] Tokyo, July 3 KYODO—The coming summit of the Group of Seven (G-7) key industrial countries is likely to defy Japan's hope of crafting a coordinated package of credit and other measures intended to reverse the yen's unabated strength against the dollar.

Behind the prospect are the latest remarks made by U.S. Treasury Secretary Lloyd Bentsen on the exchange markets, which could be taken as a signal that the United States will not take an initiative during the Naples Summit in defending the fragile dollar.

Bentsen called on Japan and Germany Thursday [30 June] to cut their key interest rates as a tool to halt the dollar's further slide.

"I'm not going to try to tell the Bundesbank what to do," Bentsen told a group of reporters. "They make their own decision, but obviously lower interest rate would be a help. We've urged a reduction in the discount rate for Japan."

But he did not refer to any measures to be taken by his country, sparking global concern that the G-7 countries will plunge into disarray in coordinating their credit policy when their leaders meet in Naples beginning next Friday.

Some currency market observers have interpreted Bentsen's latest remarks as Washington's unpreparedness to take credit tightening while seeking cooperation from Japan and Germany in easing their credit grip.

Washington's allegedly uncooperative stance in the G-7 club refueled a spate of dollar selling on the following day's Tokyo market, sending the U.S. currency to another postwar global low against the yen.

Signaling the clearest message yet on the U.S. Administration's monetary policy, Bentsen previously voiced strong concern over the weaker dollar, saying, "we believe a stronger dollar is better for our economy and better for the world's economy."

He then said, "obviously, we (in Naples) will get into macroeconomic issues and we will get into (currency) market fluctuations."

The latest watered-down remarks are in line with a sudden shift in the global currency markets from those characterized by a unilateral dollar slide against major currencies to those showing a solo downfall of the yen.

The sudden change in the currency market climate was apparently triggered by the surprise election of a socialist prime minister in Japan, which has clouded prospects for an early settlement of Japan-U.S. trade talks, a minus factor for reducing Japan's mammoth global trade surplus.

When the dollar restored some stability against the German mark Wednesday, Bentsen began to downplay the significance of the yen surge as a short-term market fluctuation.

"We look at the long term," Bentsen said. "I'm optimistic that the underlying economic fundamentals, which are excellent, will ultimately prevail."

Reflecting Washington's unwillingness in taking action to arrest the yen's surge, influential U.S. economist Fred Bergsten said recently, "I don't think really that the United States has much to do about that (a continued yen rise)."

"The story of the exchange markets is not a weak dollar, but a strong yen," said Bergsten, who heads the Institute for International Economics, a Washington-based think tank which is said to have influence on President Bill Clinton's economic policy.

"If the only problem is the continuing rise in the yen, I think it is very unlikely that the G-7 will take any new action (in Naples)," he said.

Tokyo, however, is eager to work out effective ways of taming the currency market turbulence at the Naples Summit.

International Trade and Industry Minister Ryutaro Hashimoto said, "my impression is that a significantly large weight will be given to the currency issue at the G-7 summit."

Finance Minister Masayoshi Takemura said the G-7 countries are likely to agree at their summit on policy coordination to address currency fluctuations and Japan is preparing measures for this.

"Nations globally, including the G-7 countries, have a common view on the problem, and I believe we can hold serious discussions at the summit," Takemura said.

"The only answer now is appropriate and timely actions, including market intervention, and basically, I want to exchange views (with other G-7 leaders) seriously for international cooperation," he said.

How the U.S. will deal with the currency issue at the Naples Summit can be predicted by a credit stance of the Federal Reserve Board at its two-day meeting of the

policymaking Federal Open Market Committee (FOMC) from Tuesday, market players said.

A further question mark over G-7 cooperation has been raised over the willingness of the German Bundesbank in salvaging the dollar.

Trade Minister Hashimoto said it is "doubtful whether or not the Bundesbank was really serious" when the first coordinated market intervention under the current phase of the yen rise was carried out June 24.

Masaru Takagi, chief economist at Fuji Research Institute, said market attention has been drawn to whether or not the G-7 leaders will come up with concrete steps to halt a further yen rise.

As conceivable measures to be ironed out in Naples, Takagi cited full-scale coordinated market intervention, cooperation in credit policy and commitment by each G-7 country on implementation of domestic measures.

"If the G-7 leaders agree on all of the three steps, the currency market's trend will be definitely reversed," he said.

"But if they don't," he said, "disillusionment will overshadow the market."

Finance Minister on Yen, G-7 Summit, Policies

*OW0107105494 Tokyo KYODO in English 1028 GMT
1 Jul 94*

[Text] Tokyo, July 1 KYODO—The Group of Seven (G-7) nations are likely to agree at their summit in Naples, Italy, next week on policy coordination to deal with currency fluctuations, and Japan is preparing measures for this, Finance Minister Masayoshi Takemura said Friday [1 July].

"Nations globally, including the G-7 countries, have a common view on the problem, and I believe we can hold serious discussions at the summit," Takemura said in an interview with Kyodo News Service.

He said further discussions are needed among the new coalition cabinet, but he offered a basic picture of Japan's economic measures, such as continuing tax cuts, boosting public works spending, coordinating credit policy, and taking further deregulatory steps.

"The new coalition government must show Japan's economic policies, including measures to stem the yen's rise," he said.

Japan is paying the "greatest attention to the yen's rise," Takemura, leader of the new party Sakigake [Harbinger], said. He was named finance minister of the three-party coalition cabinet formed by Social Democratic Party Chairman Tomiichi Murayama Thursday.

"Currency rates should reflect economic fundamentals, but various economic conditions of each nation are involved and speculative moves are unavoidable," he said.

"But even so, it's an overly rapid rise of the yen," Takemura said, noting that he is worried about "stronger negative impact than positive aspects" of the yen's appreciation on the economy, which is just showing signs of improving.

Assessing Japan's economic state, he said some bright spots are observed compared with the same period a year ago when the economy fell back toward the summer on the yen's rise and unusual weather.

"But the economy overall remains in slump, and I can't say that it has emerged from the recession," Takemura said.

To avoid repeating the setback on the yen's rise, "some quick measures are called for before the summit, but we don't have any at the moment," Takemura said.

"The only answer now is appropriate and timely actions, including market intervention, and basically, I want to exchange views seriously for international cooperation," he said.

Asked if an economic statement to be issued by G-7 leaders will touch on currency rates, Takemura said it is a multilateral issue. "But we will ask for it if the yen happens to appreciate alone" against the dollar and other currencies.

On possible G-7 credit cooperation, Takemura said, "it's naturally related given that the economy as a whole holds the background for currency volatility."

At an earlier press meeting, Takemura said, "Japan and the United States haven't yet discussed monetary policy...but we must take flexible actions."

His comments came after U.S. Treasury Secretary Lloyd Bentsen urged Japan and Germany to cut interest rates to stem currency volatility.

On the fiscal measures also urged by Bentsen, he said, "it's still a blank sheet today," but indicated some new actions after discussing among the coalition cabinet.

"The most important thing is to steadily implement existing economic policy and measures," he said, pointing to the February 15.25 trillion yen stimulus package and the just-enacted fiscal 1994 budget.

"But particularly at the Japan-U.S. talks, discussions are expected over Japan continuing tax cuts next year and after, reviewing the 10-year public works program, and reducing the trade surplus," Takemura said.

Deregulation is "the important pillar for Japan to open its market and expand domestic demand," Takemura

said. "If the package (announced in late June) is insufficient, we must make further efforts...it is clear that the package is not the final one."

Japan vowed in its March market-opening package to decide on these measures by the summit.

But Takemura said, "It seems difficult to decide on specific figures for the public works plan. But it's possible to convey our basic stance."

"The same goes for tax cuts," Takemura said, adding, "I want to consult with the prime minister on how to explain the tax cuts."

But even if a comprehensive tax reform, including a hike of the consumption tax, is not decided, Japan will offer the tax cuts, he said.

Asked if that means a consumption tax hike will be separated from income and other tax cuts, Takemura said, "we haven't yet decided on whether to split them or not."

As for tax reform, Takemura said discussions must be conducted in parallel with administrative and fiscal reforms to show "specific plans" for reducing government spending before deciding on a tax hike.

"A little delay is inevitable for the schedule amid the big political change," he said. The tax reform is supposed to be enacted by the end of the year.

G-7 'Unlikely' To Agree on Interest Rates

OW0507094394 Tokyo KYODO in English 0910 GMT 5 Jul 94

[Text] Tokyo, July 5 (KYODO)—The head of the Japan Association of Corporate Executives (Keizai Doyukai) said Tuesday [5 Jul] the Group of Seven (G-7) industrial nations are unlikely to agree to coordinate interest rates at their summit this weekend in Naples.

Keizai Doyukai Chairman Masaru Hayami told reporters the summit is a forum to discuss general issues of common interest, such as macroeconomic policies, and should not be expected to make decisions on interest rates and foreign exchange policies.

There has been speculation that the G-7 nations will agree at the summit to coordinate monetary and foreign exchange policies.

Hayami said the present currency turmoil stems from a lack of confidence in the U.S. dollar, adding Japan should ask the United States at the summit to forestall simultaneous falls in the dollar's value, stocks and bonds.

Murayama To Consult With Clinton on Yen Issue

*OW0207013794 Tokyo NHK General Television
Network in Japanese 0300 GMT 1 Jul 94*

[Announcer-read report over video: from "NHK News" program]

[Text] Speaking at an informal meeting with cabinet members after today's cabinet meeting, Prime Minister Murayama said he would deal with the drastic appreciation of the yen against the dollar while closely consulting with U.S. President Clinton. At the informal meeting, International Trade and Industry Minister Hashimoto indicated the government will have to do everything it can to stem the recent trend of a sharp rise in the yen's value against the dollar. He also said the government needs to give the United States and European nations the message that it is stable. In response, Foreign Minister Kono said he would work to that end.

Prime Minister Murayama stated that he intends to use every opportunity and every telephone conversation with President Clinton to clarify the new government's stance on the exchange rate between the yen and the dollar. He also added that he would deal properly with the drastic appreciation of the yen against the dollar while closely consulting with President Clinton.

Vice Finance Minister Saito on Strong Yen

*OW0407104094 Tokyo KYODO in English 1021 GMT
4 Jul 94*

[Text] Tokyo, July 4 KYODO—Vice Finance Minister Jiro Saito voiced concern Monday [4 Jul] that the yen's steep appreciation against the dollar may adversely affect the recovery of the domestic economy.

Saito told reporters Japan will keep close contact with other countries to patiently cope with the problem.

Saito said his judgment on the current state of the domestic economy basically conforms with that of Bank of Japan Governor Yasushi Mieno expressed at a meeting of the central bank's branch managers earlier in the day.

It is too early to conclude that the domestic economy has made an upturn in view of the yen's recent rise against the dollar, he said.

Saito also said the tax reform program laid down by the previous coalition government has to be reexamined from scratch with the rise to power of the new government of socialist Prime Minister Tomiichi Murayama last week.

The previous government of former Prime Minister Tsutomu Hata decided to carry out income tax cuts and a consumption tax hike in a package of tax reform legislation.

The Finance Ministry opposed an idea of raising the 3.0 percent consumption tax a few years after the implementation of income tax cuts.

New Finance Minister Masayoshi Takemura has suggested that income tax cuts may be carried out separately from a consumption tax raise.

Takemura on Yen Appreciation, Economic Reform

OW0507081194

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0000 GMT on 3 July, during its regular "Sunday Discussion" program, carries a 60-minute roundtable discussion on such topics as the formation of the Murayama administration, significance of new coalition between the Liberal Democratic Party (LDP) and the Social Democratic Party of Japan (SDPJ), and the yen's rapid appreciation against the dollar. Participants in the roundtable discussion are Yohei Kono, deputy prime minister and foreign minister; Finance Minister Masayoshi Takemura; Ryutaro Hashimoto, international trade and industry minister; Hiromu Nonaka, home affairs minister and national public safety commission chairman; Chief Cabinet Secretary Kozo Igarashi; and Tsuruo Yamaguchi, management and coordination agency director general. It is conducted in the NHK Tokyo studio and moderated by Takashi Yamamoto and quest commentator Naoki Tanaka. Of the 60-minute discussion, the moderators spend approximately 30 minutes discussing the dollar-yen exchange rate and other economic issues by addressing their questions mainly to Foreign Minister Takemura.

At 0038 GMT, Yamamoto asks Takemura how the new administration will deal with the strong yen. Takemura replies: "The value of the yen appreciated very rapidly. We truly regret it and, frankly speaking, it is not a desirable situation." "Why did it happen? It is true that speculative movements are also involved. Fortunately, all nations, including the G-7 member nations, seem to share the same understanding that such rapid change is not desirable. In this sense, I think this issue will be discussed at the summit and bilateral talks. Therefore, I hope we will have serious exchanges of opinions at the summit. We will cooperate with the international community to stabilize foreign exchange rates. Economic recovery and expansion of domestic demand will be the foundations of our policy. However, we have to give consideration to the views of trading companies as well. Needless to say, a strong yen has some merits. But it also has some shortcomings. A rapid appreciation of the yen creates commotion in the Japanese economy. Therefore, the government will carefully observe how the situation unfolds."

Pointing out that U.S. Treasury Secretary Bentsen said that he had asked Japan to lower its official discount rate, Yamamoto asks Takemura if the United States will strengthen its pressure on Japan as the summit draws nearer. Takemura says: "Since the issue of the official

discount rate comes under the jurisdiction of the Bank of Japan, I will refrain from commenting directly on this issue. However, as everyone knows, Japan's official discount rate is 1.75 percent. This is the lowest among all of the G-7 member nations. I do not understand well why the United States is asking for another cut."

On the issue of abiding by the Hosokawa administration's international pledge made in March to promote economic reform, Takemura says: "We outlined our economic reform plan. Since it was an official announcement to the world, we have to abide by it." "Needless to say, the new administration will promote various economic reform measures, including market liberalization, deregulation, and reducing price differentials between Japan and other countries."

Asked how the new administration will secure sources of revenue, Takemura says that he will draw a conclusion after holding serious discussions with the cabinet and the new ruling parties. He adds: "I think the prime minister, in one way or another, will have to say something at the Naples summit about continuing our tax reduction plans. We are holding detailed discussions to determine how he will describe such plans."

Tanaka asks Takemura if he still wants to reduce government expenditures by reviewing the size and functions of government organizations. Takemura says: "Yes, I still want that. I should say it will be financial rather than administrative reform." He then goes on to explain the need to seriously take on the task of reducing government expenditures before talking about the possibility of a tax hike.

Toyoda Urges Measures on Yen, Deregulation

*OW0407104294 Tokyo KYODO in English 1013 GMT
4 Jul 94*

[Text] Tokyo, July 4 KYODO—The head of a powerful economic organization called Monday [4 Jul] on the new coalition government to seriously tackle urgent issues such as the yen's rapid appreciation and economic deregulation.

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), said the alliance between conservative and socialist parties means an end to the confrontation between parties of different political standing and Japan's political community is searching for a new framework.

On Thursday, Social Democratic Party of Japan Chairman Tomiichi Murayama formed the second socialist-led coalition government in postwar Japan.

Toyoda expressed hope that the new government, with many cabinet ministers with rich experience, will deal seriously with a host of urgent problems such as the Group of Seven (G-7) summit of leading industrialized nations in Naples, Italy, later this week, the strong yen and economic deregulation.

He said the government should carry out administrative and tax reforms to correct the imbalance of direct and indirect taxes on the basis of a proposal made by the government's tax panel.

Toyoda said the yen's recent appreciation is excessive and expressed concern that the strong yen might delay recovery of the domestic economy if left untouched.

He said the yen's appropriate level is 110-120 yen per dollar.

Toyoda expressed hope that measures will be worked out to correct the dollar-yen exchange rate at the Naples summit.

Think Tank: Strong Yen To Curb GDP Growth Rate

*OW0107175294 Tokyo KYODO in English 1202 GMT
1 Jul 94*

[Text] Tokyo, July 1 KYODO—A brokerage-affiliated think tank said Friday [1 July] the recent appreciation of the Japanese yen will curb Japan's economic growth in fiscal 1994.

The Nikko Research Center, affiliated with Nikko Securities Co., forecast a 0.8 percent rise in Japan's gross domestic product in fiscal 1994 if the dollar-yen exchange rate stands at 105 yen per dollar.

Japan's economic growth came to a standstill in the preceding fiscal year.

The center, however, said the GDP growth rate will be depressed to 0.7 percent if the dollar's exchange rate settles at 100 yen per dollar and to 0.6 percent if the dollar's value drops to 95 yen.

The dollar's depreciation may have an impact on the domestic economy as most companies are expected to see their profits decline if the dollar slumps to 98 yen, the center said.

Pre-Summit Framework Talks Deal 'Unlikely'

*OW0407105494 Tokyo KYODO in English 1044 GMT
4 Jul 94*

[Text] Tokyo, July 4 KYODO—Japan and the United States are unlikely to strike a deal on bilateral trade negotiations before the Group of Seven (G-7) summit meeting later this week, a Japanese Government source said Monday [4 Jul].

"I don't like to say this, but the fact is that we will not be in time (for the summit). We will do everything, though, to proceed on the talks as much as possible to show our determination," the source said.

Working-level negotiations have been under way to hammer out a deal on three priority areas—automobile and auto parts, insurance services, and government

procurement in telecommunications and medical equipment—covered by the “framework” trade talks.

Earlier prospects were that the two countries could produce an agreement on insurance services and government procurement before Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton meet in Naples prior to the July 8-10 G-7 summit.

But a change of government in Tokyo has led both sides to give up hopes of an early settlement, analysts said.

The source, who asked not to be named, said, “there is no need for us to hurry and to force ourselves. (The U.S.) also is not in haste.”

‘50-50 Chance’ Given for U.S. Trade Talks

*OW0207000894 Tokyo KYODO in English 2359 GMT
1 Jul 94*

[Text] Washington, July 1 KYODO—Japan will try to push for a breakthrough in trade talks with the United States prior to a summit meeting next week between the two countries, Japanese officials said Friday.

A senior Japanese official involved in the wide-ranging trade negotiations gave a fifty-fifty chance for a trade deal at least in one business sector: Automobile and auto parts.

“We are still working on it, but I would say (the chance of success would be) 50-50,” said Japan’s Vice Trade Minister for International Affairs Sozaburo Okamatsu after emerging from a half hour meeting with U.S. Undersecretary of Commerce Jeffrey Garten.

Okamatsu and Garten are two principal players overseeing the auto sector of the “framework” trade talks, a complex set of bilateral negotiations aimed at boosting the penetration of foreign products in the Japanese market.

There was no word on the prospect of a possible pre-summit deal on insurance services, and government procurement in telecommunications and medical equipment—the other two industry areas covered in the current round of working-level negotiations held this week in Washington.

A Japanese source involved in the insurance sector talks told reporters there was progress in the negotiations but the two sides were still “far apart” on certain issues. He declined to say specifically what was holding the negotiations back. “We will try as best as we can to get an agreement,” one Japanese official said.

Japan’s new Prime Minister, Tomiichi Murayama, is due to hold bilateral talks with President Bill Clinton on Friday in Naples, Italy, where they will be joining other world leaders for This year’s Group of Seven (G-7) summit conference.

Japanese negotiators involved in the framework talks said they were not daunted by the looming summit,

noting that the two countries have agreed not to impose a deadline for the trade negotiations.

The framework talks will be resumed in Washington on Tuesday, Japanese officials said, noting that American officials plan to take Monday off because of U.S. Independence Day.

U.S. officials would not comment on framework trade talks, saying the negotiations were in progress. Citing the ongoing negotiations as well as a change of government in Tokyo, the U.S. Government Thursday put off for a month on whether to formally cite Japan for discriminating against U.S. firms in government procurement in telecommunications and medical services.

Steelmakers Deny Dumping in U.S. Market

*OW0107083294 Tokyo KYODO in English 0512 GMT
1 Jul 94*

[Text] Tokyo, July 1 KYODO—Japanese steelmakers on Friday [1 July] flatly denied charges contained in a complaint filed by the U.S. steel industry that they have been selling a type of steel product at less than fair prices in the U.S. market.

An official with Nippon Steel Corp., one of the four Japanese steelmakers named in the complaint along with steel firms from six other countries, said it is “beyond our understanding how U.S. steelmakers can file such a complaint.”

“This is nothing other than an abuse of the antidumping law,” the official said.

Several American steel firms jointly filed a petition with the Commerce Department and the International Trade Commission on Thursday, asking for imposition of antidumping duties on imports of so-called oil country tubular goods from the seven countries, which they said have been dumped.

An official at Sumitomo Metal Industries Ltd. said it is “obvious we have not dealt any damage to the U.S. industry,” while an NKK Corp. official called for more “prudence” by the U.S. steel industry.

But an official at Kawasaki Steel Corp. said, “This is harassment for our company...we cannot help but see it as a clear challenge to the General Agreement on Tariffs and Trade.”

Government Approves Deregulation Package

*OW0507024694 Tokyo KYODO in English 0200 GMT
5 Jul 94*

[Text] Tokyo, July 5 KYODO—The Japanese Government formally approved a package of 279 economic deregulation measures Tuesday covering housing and land, financial services, information and telecommunications, and market access by foreign firms.

The cabinet of Prime Minister Tomiichi Murayama endorsed at its regular meeting the deregulatory package drawn up by the administration of Murayama's predecessor, Tsutomu Hata.

Murayama will brief U.S. President Bill Clinton on the package, which is meant to expand Japan's domestic demand and slash its huge trade surplus with the United States, at their meeting prior to the Group of Seven (G-7) summit opening Friday in Naples, Italy.

The Japanese premier will also explain the package to other G-7 leaders in Naples, government officials said.

Under the package, companies other than oil firms will be allowed to import oil, licensing requirements will be liberalized for large-scale retail stores wishing to sell imported beer, and all foreign inspection data on building materials will be accepted to help reduce housing construction costs.

The Hata administration, which offered to resign en bloc June 25, unveiled the deregulatory measures June 28 as a response to requests both at home and abroad for easier access to Japanese markets.

Cabinet approval of the market access measures, however, was put off due to the replacement of the Hata cabinet by the Murayama administration.

Satellite Photo of DPRK Nuclear Facilities Obtained

OW0207002094 Tokyo NHK General Television Network in Japanese 1026 GMT 2 Jul 94

[Announcer-read report over video: from "NHK News 7" program]

[Text] Tokai University has obtained a satellite picture of North Korean nuclear facilities from Russia, and succeeded in image-processing it. The picture was taken by a Russian satellite that is said to be able to distinguish a 2-meter-length object on the earth's surface.

[Video shows NHK announcer Sakurai pointing at two satellite pictures which are indistinct] These two satellite pictures show part of the North Korean nuclear facilities in Yongbyon. On the right is a picture of North Korea's conventional nuclear facilities, which was taken by a French satellite. On the left is a picture taken by the Russian satellite. This picture, which has been enlarged five times, clearly shows atomic reactors and roads near the atomic reactors under construction; and it also clearly indicates the location of the atomic reactors under construction.

Toshifumi Takada, professor at the Information and Research Center of Tokai University, image-processed the picture after obtaining it from a Russian space development organization. Russian satellites are said to be able to distinguish a two-meter-length object on the earth's surface while orbiting at an altitude of 160 km.

This is the first time that a highly detailed satellite picture of North Korean nuclear facilities like this have been disclosed.

Extraordinary Diet Session To Start 18 Jul

OW0407092994 Tokyo KYODO in English 0923 GMT 4 Jul 94

[Text] Tokyo, July 4 KYODO—The ruling coalition agreed Monday [4 Jul] to convene a brief extraordinary Diet session July 18 to hear Prime Minister Tomiichi Murayama's inaugural policy speech, party officials said.

The coalition of the Liberal Democratic Party (LDP), the Social Democratic Party [of Japan] (SDP) [SDPJ] and New Party Sakigake [Harbinger] decided at a meeting of party executives that the first parliamentary session under the Murayama administration should last only about five days.

The exact date for Murayama's policy speech to both houses of the Diet will be set later.

Also on the agenda will be Murayama's briefing on the Group of Seven (G-7) summit meeting this weekend in Naples, Italy, and questioning by representatives of ruling and opposition parties concerning Murayama's speech.

The coalition agreed to postpone to a later Diet session deliberation on bills for a new election system after a government panel submits its recommendations on the redrawing of the electoral map.

The panel is working on the task in line with a package of political reform bills enacted in January, which should replace the current multi-seat constituencies system with a combination of single-seat constituencies and proportional representation.

The three parties also agreed on a three-tier policy-making mechanism within the coalition, which embraces lawmakers from a wide spectrum of political ideology.

They decided to set up a conference of the party top brass as a supreme policy-making body within the leftist-conservative coalition.

An SDPJ-advocated house executive board will also be institutionalized, made up of 10 LDP, seven SDPJ and three Sakigake legislators, while the parties' policy-making chiefs will form their own group to meet regularly for policy coordination.

SDPJ Secretary General Wataru Kubo said the new system will be "a mechanism that is highly democratic and transparent."

The supreme policy-making body will be comprised of 11 members, including some secretaries general, three leaders of the house executive board, three party policy-making chiefs, and a House of Councillors representative from the LDP and the SDPJ each.

Besides weekly Monday meetings, the members of the conference will also meet with Murayama and leading cabinet members regularly.

The executive and policy coordination panels will meet every Tuesday and Friday.

Hata Urges Murayama To Present Policy Stance

OW0107175594 Tokyo KYODO in English 1243 GMT 1 Jul 94

[Text] Tokyo, July 1 KYODO—Former Prime Minister Tsutomu Hata on Friday [1 July] urged his successor Tomiichi Murayama to hold an extraordinary Diet session as soon as possible to present his basic policy stance.

"If possible, (Murayama) should make his inauguration speech before he leaves for the Naples summit of the seven leading industrial countries," Hata said before an audience in front of Shinjuku Railway Station in central Tokyo. Hata added that if not, he should do so immediately after returning from the summit.

Murayama, chairman of the Social Democratic Party (SDP) [of Japan—SDPJ], was elected new prime minister Wednesday at the Diet and formally took office the following day.

The annual G-7 summit will be held in Naples, Italy, from July 8 to 10.

Hata disbanded his minority coalition cabinet on June 25, ending his two-month tenure in the face of an inevitable no-confidence motion by the Diet against his cabinet, instigated by then primary opposition Liberal Democratic Party (LDP).

Hata's voluntary resignation paved the way for a new coalition of the LDP, its archrival SDP, and New Party Sakigake (Harbinger). The SDP and Sakigake once formed a coalition with Hata's Shinseito (Japan Renewal Party) in the administration of his predecessor, Morihiro Hosokawa, to oust the LDP from its 38-year grip on power.

Hata also said that Shinseito and its former coalition partners will seek to form a new parliamentary group with other forces to rival the LDP, the largest party in parliament.

Policy Accord Among Ruling Parties Possible

OW0507061294 Tokyo NHK General Television Network in Japanese 0316 GMT 5 Jul 94

[Announcer-read report over video; from "NHK News" program]

[Text] Prime Minister Tomiichi Murayama this morning delivered a speech to a meeting of a labor union which supports the Social Democratic Party of Japan [SDPJ]. In the speech, the prime minister characterized his

cabinet as a social democratic-liberal-dovish cabinet. He indicated an intention to seek a policy accord among the ruling parties.

[Begin Murayama recording] I would like to call my cabinet a social democratic-liberal-dovish cabinet. [end recording]

After making the remark, Prime Minister Murayama stated that there were few differences of opinion among the SDPJ, the Liberal Democratic Party [LDP], and Sakigake [Harbinger] on how to deal with politics. He said if the three parties have thoroughgoing discussions, they will reach agreement.

Moreover, SDPJ Secretary General Wataru Kubo stated: The SDPJ has chosen the way to form a new coalition administration based on the belief that it has to make a realistic approach to living politics. Because we have made this decision, long-lasting arguments within the SDPJ will probably come to a conclusion. However, we intend to make every effort to maintain this administration for a long time and to take steps toward the lofty ideals which we seek to realize.

In this way, Secretary General Kubo stressed that the SDPJ intends to support the Murayama cabinet and stress realistic policies.

Meanwhile, some labor union members said the Murayama cabinet was unacceptable because it was an LDP-SDPJ coalition. However, many shared the view that the labor union should support the Murayama cabinet because it supports the SDPJ.

Murayama 'Hopes To Renew' DSP Ties

OW0107160594 Tokyo KYODO in English 1453 GMT 1 Jul 94

[Text] Tokyo, July 1 KYODO—Prime Minister Tomiichi Murayama said Friday [1 July] his Social Democratic Party (SDP) [of Japan SDPJ] hopes to renew relations with the Democratic Socialist Party (DSP), a splinter of the SDP and its ally in the former coalition government of Morihiro Hosokawa.

In a meeting with Akira Yamagishi, chief of the Japanese Trade Union Confederation (Rengo), the country's largest trade union umbrella, Murayama said the SDP "will attach great importance to relations with the DSP." "I wanted to ask the DSP to join the cabinet... [ellipses as received] The feeling still hasn't changed," SDP officials quoted Murayama as saying.

Yamagishi told Murayama he is ready to make efforts to renew cooperative relations between the two parties, the officials said. Rengo is the main support base for both parties.

The SDP withdrew from the coalition in late April, when Murayama's predecessor Tsutomu Hata formed a

second coalition government, in protest over the formation of a parliamentary group by other coalition partners, excluding the SDP, as proposed by then DSP Chairman Keigo Ouchi.

Ouchi assumed the post of health and welfare minister under the two previous coalition administrations of Hata and Hosokawa.

The SDP's departure from the coalition left the Hata administration with a shaky minority power base.

Noting that the SDP and the DSP have been divided into ruling and opposition camps, Yamagishi told Murayama that Rengo will take a free and unbiased stance toward the two parties, saying that if the Murayama cabinet responds to expectations, the organization will positively support it, according to the officials.

After Murayama was elected premier Wednesday, the SDP formed a new ruling coalition with its long-time rival, the conservative Liberal Democratic Party (LDP), and New Party Sakigake (Harbinger), a breakaway party from the LDP and the SDP's former ally in the Hosokawa administration.

Poll: Murayama Gets 35 Percent Support Rate

OW0407021194 Tokyo KYODO in English 0126 GMT 4 Jul 94

[Text] Tokyo, July 4 KYODO—The number of Japanese who disapprove of the new coalition government of Prime Minister Tomiichi Murayama outnumber those in favor, the ASAHI SHIMBUN newspaper reported Monday [4 July].

The paper said that an opinion poll showed 43 percent of respondents disapprove of the new government while 35 percent support.

The approval rating was lower than those of the last two coalition cabinets immediately after their inaugurations, the ASAHI said.

The cabinet of Prime Minister Morihiro Hosokawa enjoyed a 71 percent approval rating and the cabinet of Prime Minister Tsutomu Hata a 47 percent approval rating in their first polls, it said.

However, the telephone poll conducted Saturday and Sunday, shows that 46 percent are friendly toward Murayama and that 44 percent are not.

But the ASAHI said many of the respondents are critical of the Murayama administration, with 56 percent having low expectations of the policies of the new government. Only 24 percent favor the combination of the Social Democratic Party (SDP) and the Liberal Democratic Party (LDP), it said.

Regarding the LDP's return to power, those in favor slightly exceeded those who were not by 41 percent to 37 percent, the ASAHI said.

The poll also shows that 62 percent predicted the Murayama government will last less than one year, and 47 percent wanted a general election soon, outnumbering 37 percent who did not.

The ASAHI poll covered 1,606 people, with 1,180, or 73 percent, responding.

Kono: New Government Not 'Caretaker'

OW0107082394 Tokyo KYODO in English 0803 GMT 1 Jul 94

[Text] Tokyo, July 1 KYODO—Deputy Prime Minister and Foreign Minister Yohei Kono on Friday [1 July] brushed aside suggestions that the new government will be short-lived and said Japan should not rush to hold a general election for the House of Representatives.

"The newly born government is neither an interim government or an election caretaker government," Kono said in an interview with reporters.

Kono, who also serves as president of the Liberal Democratic Party (LDP), denied speculation that the new coalition government might dissolve the lower house for a snap general election as soon as a new electoral system is put into place.

He said the elections were called for under the previous coalition government because it did not reflect the people's will but the new government is composed of the largest and second largest forces in the Diet and so does reflect the people's will.

"If the government reflects the people's will, it is important then that a stable government tackle such problems as economic recovery and try to fulfill its international role rather than seek the judgment of the people [as received]," he said.

"There are three years left in lower house members' terms. I want to at least see those terms completed," Kono said.

The four-year term of office for the current 511-seat lower chamber runs through July 1997.

The new electoral system, which combines 300 single-seat constituencies and 200 others chosen through proportional representation, was passed into law in January. But it cannot take effect and replace the present multi-seat constituency system until the boundaries of single-seat constituencies are set.

On Friday, Prime Minister Tomiichi Murayama, leader of the Social Democratic Party, said a bill on the drawing of the electoral map should be enacted as soon as possible.

In a separate interview with Kyodo News Service, Kono, 57, said Japan will explain its current economic condition and its future policies at the summit meeting of Group of Seven (G-7) economic powers in Naples, Italy, next week.

He did not, however, specify whether Japan will pledge at the summit talks to continue tax cuts.

Kono said Japan is not playing the economic role expected by the international community and that it should continue to make efforts to fulfill its role.

Japan will also try to sweep away international anxiety toward the newly launched government, which is led by the first socialist prime minister in 47 years, at the G-7 summit talks, he said.

Kono, who served as chief cabinet secretary under the LDP government led by Kiichi Miyazawa, also said he wants to look into the results of studies Japan made since last summer concerning measures in lieu of compensation for women who were forced to provide sex to Japanese soldiers before and during World War II.

The Miyazawa government officially acknowledged for the first time that the Japanese Imperial Army forcibly held Korean women in sexual servitude for its soldiers before and during the war.

Historians estimate that 100,000 to 200,000 women, mostly from the Korean peninsula, were forced to work in frontline brothels to serve Japanese Imperial Army soldiers.

Kono said Japan should not forget about many people in and out of Japan who suffered tragic experiences during World War II.

Minister Kono Rules Out 'Snap' General Election

*OW0107062294 Tokyo KYODO in English 0612 GMT
1 Jul 94*

[Text] Tokyo, July 1 KYODO—Deputy Prime Minister and Foreign Minister Yohei Kono said Friday [1 July] that Japan should not rush to hold a general election for the House of Representatives.

"There are three years left in the terms (for lower house members). I want to have the terms completed," Kono told reporters. The four-year term of office for the current 511-seat lower chamber runs through July 1997.

Kono, who is president of the Liberal Democratic Party [LDP], made the remarks in denial of speculation that the new coalition government might dissolve the lower house and hold a snap general election as soon as a new electoral system becomes complete.

The new system, which combines 300 single-seat constituencies and 200 others chosen through proportional representation, became law in January. But it cannot take effect and replace the present multiseat constituency system until the boundaries of single-seat constituencies are set.

Prime Minister Tomiichi Murayama, who is leader of the Social Democratic Party, said Friday that a bill on the boundaries should be enacted as soon as possible.

Shinseito, JNP, DSP To Form Parliamentary Bloc

*OW0407140594 Tokyo KYODO in English 1344 GMT
4 Jul 94*

[Text] Tokyo, July 4 KYODO—Leaders of three former ruling coalition parties agreed Monday to seek a new parliamentary bloc in the House of Representatives to take back power from the new coalition government of Prime Minister Tomiichi Murayama.

The agreement to create a fresh, unified, 200-member-strong parliamentary bloc in the 511-member lower house was reached at a meeting of Shinseito [Japan Renewal Party] leader Tsutomu Hata, Japan New Party [JNP] leader Morihiro Hosokawa, both former prime ministers, and Democratic Socialist Party Chairman Takashi Yonezawa, officials of the three parties said.

To this end, the three parties will seek to integrate into their fold their former coalition ally Komeito and dozens of Liberal Democratic Party (LDP) dissidents led by former Prime Minister Toshiki Kaifu, the officials said.

In the process of expanding their alliance, the trio will disband the current parliamentary bloc called "Kaishin (Innovation)" comprising the three parties plus the Liberal Party and Kaikaku no Kai [Reform Group]—both small LDP breakaways, the officials said.

In last Wednesday's voting at the lower house to select Hata's successor, some 30 LDP members defied a party leadership order to vote for Murayama by voting for Kaifu or casting blank ballots.

Meanwhile, LDP dissidents who supported Kaifu have remained cautious in the face of the proposal to join forces to create the fresh parliamentary bloc and are preparing to form a new party headed by Kaifu, LDP sources said.

The SDPJ [Social Democratic Party of Japan] walked out of Hata's coalition government in late April in protest against the formation of Kaishin, which excluded the SDPJ, forcing Hata to form the first minority government in nearly four decades.

LDP's Takeshi Noda Quits Party Over Diet Vote

*OW0207040194 Tokyo KYODO in English 0333 GMT
2 Jul 94*

[Text] Kumamoto, Japan, July 2 KYODO—Takeshi Noda, defending his vote for former Prime Minister Toshiki Kaifu in Wednesday's Diet balloting for premiership, said Saturday [2 July] he is quitting the Liberal Democratic Party (LDP).

Noda, 52, made the announcement at a news conference in Kumamoto Prefecture. Defying the LDP leadership's calls to LDP lawmakers to vote for Tomiichi Murayama, chairman of the Social Democratic Party (SDP) [Social

Democratic Party of Japan—SDPJ], Noda joined about two dozen LDP legislators in voting for Kaifu, who lost the race.

A former Finance Ministry bureaucrat, Noda, a member of the House of Representatives, belongs to the LDP faction led by former Foreign Minister Michio Watanabe.

He said at the news conference that Prime Minister Murayama favors the current multiseat constituency system over the new electoral system and may torpedo the political reform campaign. Noda also said he will join Kaifu in his bid to implement political reform.

LDP Names Obuchi Party Vice President

OW0507025294 Tokyo KYODO in English 0136 GMT 5 Jul 94

[Text] Tokyo, July 5 KYODO—Leaders of the ruling Liberal Democratic Party (LDP) agreed Tuesday [5 July] to name former Chief Cabinet Secretary Keizo Obuchi as its vice president, party sources said.

Former Defense Agency chief Koichi Kato will head the Policy Affairs Research Council, the party's policy-making body, the sources said.

Obuchi formerly served as LDP secretary general. The LDP's vice presidency is vacant at present.

Kato will succeed Ryutaro Hashimoto, who has become minister of international trade and industry under socialist Prime Minister Tomiichi Murayama's three-party coalition government.

The appointments follow the LDP's participation in the coalition, which also includes LDP President Yohei Kono as deputy premier and foreign minister.

'Realignment' After Murayama Victory Discussed

OW3006013094 Tokyo KYODO in English 0109 GMT 30 Jun 94

[Text] Tokyo, June 30 KYODO—Major Japanese newspapers, expressing surprise at the election of longtime socialist Tomiichi Murayama as new prime minister, predicted in editorials Thursday [30 June] that his victory signals a further realignment of Japanese politics.

The dailies said Murayama, 70, chairman of the Social Democratic Party (SDP), faces a lot of outstanding issues such as the upcoming Naples economic summit, the strong yen, North Korea's nuclear program, the consumption tax and political reform.

The ASAHI SHIMBUN said the birth of a new coalition of Murayama's SDP and the conservative Liberal Democratic Party (LDP) means there is no longer a major divisive issue between the two parties following the end of the Cold War.

The adhesive which brought the two former adversaries together was "strong resistance" to the alleged high-handed politicking of Shinseito Secretary General Ichiro Ozawa and his Komeito counterpart Yuichi Ichikawa, the daily said.

Shinseito, Komeito and other former ruling coalition partners will step up efforts to establish a new party with new defectors from the LDP, the ASAHI said in its editorial.

The MAINICHI SHIMBUN characterized as "unimaginable" under postwar political thinking the formation of the new SDP-LDP coalition—with New Party Sakigake acting as a bridge.

The outcome of the Diet balloting, in which Murayama beat former Prime Minister Toshiki Kaifu, demonstrated that "a stream of political realignment" is in full flood, the MAINICHI said.

The YOMIURI SHIMBUN, Japan's largest-circulation daily, expressed concern over the projected Murayama cabinet, saying the "scratch team" of the SDP and the LDP is most likely to spur what the newspaper called the "crooked politics phenomenon."

Referring to the SDP's longstanding opposition to changing the war-renouncing constitution and its reservations about the constitutionality of the self-defense forces, the YOMIURI observed, "the chasm between the two parties is too wide to overcome."

The NIHON KEIZAI SHIMBUN, a leading economic daily, said Murayama's election as the first socialist prime minister since 1947 will facilitate the ongoing political realignment.

The NIHON KEIZAI said it did not have a high opinion of the minority coalition government of Prime Minister Tsutomu Hata because it was run by certain leaders, alluding to Ozawa, Ichikawa and people around them.

The daily called on the Murayama administration to dissolve the House of Representatives and call general elections at an early date to test the will of the people.

The SANKEI SHIMBUN, in an unusual front-page editorial, lashed out at the SDP-LDP coalition, saying it put Japan in a crisis situation.

The SANKEI denounced LDP President Yohei Kono for "betraying the people" and argued that the SDP "has not repented for propagating the former Soviet Union and North Korea as utopian states and asking the former Soviet Union for financial support."

Kaifu on New Administration, Party, DPRK Issue

OW0407053094 Tokyo FNN Television Network in Japanese 2305 GMT 2 Jul 94

[Editorial Report] Tokyo FNN Television Network in Japanese at 2305 GMT on 2 July, during its weekly

"News 2001" program, carries a live 19-minute interview with former Prime Minister Toshiki Kaifu by FNN announcers Yuji Kuroiwa and Megumi Seki, political commentator Kenichi Takemura, and MAINICHI SHIMBUN editor Takao Iwami at the FNN studio in Tokyo.

Asked how he assesses the Murayama administration, Kaifu first notes there are many policy differences between the Social Democratic Party of Japan (SDPJ) and the Liberal Democratic Party (LDP), saying: "Of all the political parties, except the Communist Party of Japan, the SDPJ is the furthest distance from the LDP." He says the new administration is very irresponsible because the two parties formed a coalition, which was unthinkable to most of the people, without having detailed policy discussions. He continues to criticize the LDP executives for their decision to support SDPJ Chairman Murayama as prime minister. He says: "I had to ask the executives what had happened to the LDP's policies and fundamental ideologies."

Asked if he consulted Ichiro Ozawa, Shinseito's representative secretary general, prior to determining to run against Murayama in the lower house election to elect a new prime minister, Kaifu says: "I did not consult Mr. Ozawa about running in the election. It was my own decision...It was neither a scheme nor a conspiracy."

In response to a question about the LDP's decision to support Murayama, Kaifu answers: "The majority in the LDP wanted to return to political power." However, he declined to comment on whether the LDP and SDPJ formed a "collusive" alliance.

Asked if he will form a new party, Kaifu says: "As I said earlier, the most important thing is for people with the same views and policies to form a foundation. I have to talk with the LDP and other party members who voted for me to find out what they are thinking and where they are planning to go." "If they have the same opinions as mine, I will form a group or a new party." He then goes on to explain the need to complete political reform.

Kuroiwa points out the possibility that Japan may be isolated at the upcoming Naples summit over the North Korean issue. Kaifu agrees with Kuroiwa, saying: "I think the SDPJ has to explain, in more concrete and easier terms than it did before, that it has changed its policies. Japan will be isolated at the summit if Murayama insists on the LDP's past party line."

On the possibility of holding a general election under the new election system, Kaifu says: "I think an election should be held under the new system. In this sense, I strongly hope the new administration will do its best to form a new system."

Overview of Media Reactions to New Government

OW0107005194 Tokyo KYODO in English 0004 GMT
1 Jul 94

[Text] Tokyo, July 1 KYODO—Japan's major dailies called on the newly inaugurated cabinet of Prime Minister Tomiichi Murayama on Friday [1 July] to make its decision-making process transparent and call a general election at an early opportunity.

Both liberal and conservative newspapers questioned in editorials the longevity of the Murayama administration formed Thursday by a coalition of the Social Democratic Party (SDP), the Liberal Democratic Party (LDP) and New Party Sakigake.

They also urged the Murayama government to take steps to buoy the Japanese economy and arrest the yen's sharp rise despite differences between the SDP and the LDP over fiscal, economic, foreign and national security policies.

"Japan must strive to help maintain global peace and boost the global economy," the conservative YOMIURI SHIMBUN said. "Japan would be in an odd-man-out situation in the world if it refused to face up to its global obligations and only pursued self-centered goals."

The liberal ASAHI SHIMBUN said the LDP, the nation's largest political party, needs a radical "transformation" if it is to return fully to power.

Except for the appointment of Makiko Tanaka as head of the Science and Technology Agency, the ASAHI said, the cabinet lineup reflects factional considerations by the LDP and the SDP, of which Murayama is chairman.

The NIHON KEIZAI SHIMBUN, a leading economic daily, and the TOKYO SHIMBUN joined the ASAHI in calling for securing transparency in the decision-making process, in sharp contrast to the backroom, arm-twisting strategy pursued by Shinseito Secretary General Ichiro Ozawa.

"The lesson from the coalition governments in the last 10 months is that key policy decisions and maneuvering were entrusted with a small number of politicians and that process was not transparent and hard to understand," the business-oriented NIHON KEIZAI said.

The NIHON KEIZAI also criticized alleged collusive relations between kowtowing bureaucrats and politicians and their political parties.

The MAINICHI SHIMBUN called for a halt to the bureaucrat-led policy-making process conducted under the last two fragile coalition governments.

At the same time, the daily expressed concern about a potential revival of interlocking ties among politicians, bureaucrats and business leaders, as exemplified by money scandals under the LDP-led governments.

The MAINICHI and the conservative SANKEI SHIMBUN suggested that Murayama should help win the passage of political reform legislation to carry out a general election under the new electoral system at an early date.

The TOKYO SHIMBUN said the Murayama cabinet, the third coalition government in less than a year, shows that "politics are still in transition and it will take a while for the coalition administration to experience trial and error until a stable framework by political parties is achieved."

Parliamentary Vice Ministers Named

OW0107022594 Tokyo KYODO in English 0159 GMT 1 Jul 94

[Text] Tokyo, July 1 KYODO—The government of Prime Minister Tomiichi Murayama on Friday [1 July] announced the appointments of 23 parliamentary vice ministers, including Hakuo Yanagisawa as Foreign Minister Yohei Kono's surrogate.

Yanagisawa, 58, is a House of Representatives member and a former Finance Ministry bureaucrat.

He is one of 14 legislators from the Liberal Democratic Party (LDP), which allied with the Social Democratic Party (SDP) and New Party Sakigake to form the Murayama cabinet.

Of the 23 parliamentary vice ministers, 14 are members of the lower house and nine are members of the House of Councillors.

The LDP received 14 vice ministerial posts, the SDP eight and Sakigake one, officials said.

The posts are normally filled by second-term Diet members.

As under Murayama's cabinet lineup of 20 ministers, the vice ministerial lineup reflects the LDP's dominance over key ministries, including finance, agriculture, trade, transport, and posts and telecommunications.

The ministries of finance, agriculture, forestry and fisheries, and international trade and industry (MITI) have two parliamentary vice ministers each, and the LDP and the SDP got one each.

They are Kyogon Hagiwara (LDP) and Satoshi Ishii (SDP) at the Finance Ministry, Yoshio Yatsu (LDP) and Tatsuo Yoshida (SDP) at the farm ministry and Kazuo Majima (LDP) and Takashi Tanihata (SDP) at MITI.

SDP lawmaker Tomiko Okazaki, the only woman in the lineup, got the vice ministerial post at the education ministry.

The vice minister's post at the Defense Agency went to Noriaki Watase, an LDP lawmaker while former lawyer Giichi Tsunoda, of the SDP, got the corresponding post at the Justice Ministry.

Debate on Issues Related to Tax Cuts Continues

Chief Cabinet Secretary Comments

OW0207112094 Tokyo KYODO in English 1017 GMT 2 Jul 94

[Text] Tokyo, July 2 KYODO—The scale of planned income tax cuts for fiscal 1995 and beyond will stay roughly the same as those for fiscal 1994, Chief Cabinet Secretary Kozo Igarashi said Saturday [2 July].

"I assume roughly the same amount of tax cuts will be continued," Igarashi said in an interview.

While assuring continued tax cuts in fiscal 1995 and beyond, Igarashi said the government will do its utmost to chart a course by the end of this year for securing a source of revenue to cover the planned multiyear tax reduction.

The chief cabinet secretary, who plays a role of coordinator between the government and the ruling parties as well as top government spokesman, said he favors the alteration or abolition of the current 3

consumption tax.

"Personally, I think it's important to redress what should be redressed so as to win the understanding of the people because there are a tremendous amount of drawbacks (to the consumption tax system)," he said.

On the formation of a coalition between the conservative Liberal Democratic Party (LDP) and the left-leaning Social Democratic Party (SDP), to which he belongs, Igarashi defended the policies of the two largest parties in Japan as having gradually moved closer together in recent years.

"In the post-Cold War era, the so-called 1955 setup has drastically changed and our differences over policy issues have also been bridged to a great extent," he said.

In 1955, both the LDP and the SDP were inaugurated, and since then LDP had been the ruling party and the SDP had remained the major opposition until last August when the LDP was ousted from power by a coalition led by Morihiro Hosokawa.

The fresh coalition administration led by Prime Minister Tomiichi Murayama of the SDP also includes New Party Sakigake [Harbinger], an LDP splinter party that was a partner of the government of Prime Minister Hosokawa.

"I am pretty sure this coalition administration can live up to the expectations of the people, based on our mutual trust, though it features an alliance between the LDP and the SDP, a combination that was unimaginable until recently," Igarashi admitted.

On a possible alliance with the Democratic Socialist Party (DSP), an SDP breakaway, the chief cabinet secretary said, "I think it is more than welcome."

Igarashi, a former construction minister, also expressed hope that Hosokawa's Japan New Party will join or cooperate with the three-party coalition because "it is desirable to expand the power base of the ruling union."

Concerning the Japanese military's wrongdoing up to and during World War II, Igarashi spoke of the need for the nation not to forget the magnitude of suffering it inflicted upon its Asian neighbors.

He also remarked the government should express its determination to the rest of the world next year that it will strive to create a peaceful world free from war as the year 1995 marks the 50th anniversary of the end of World War II.

Igarashi vowed the Murayama government will carry out national reforms pioneered by the Hosokawa administration and carried forward by the previous government of Prime Minister Tsutomu Hata.

He singled out the scandal-generating triangle of politics, bureaucracy and big business, and money-drenched politicking, among other things, as areas that need to be eliminated in the reform process.

EPA Chief Favors Tax Increase

*OW0207120894 Tokyo KYODO in English 0915 GMT
2 Jul 94*

[Text] Yamaguchi, Japan, July 2 Kyodo— Japan's top economic planner Masahiko Komura supported an idea Saturday [2 July] to raise the consumption tax rate from the present 3

to offset a planned permanent income tax reduction.

Komura, director general of the Economic Planning Agency (EPA), said at a news conference in this western Japan city, "It is not permissible that our generation will pass on debts to later generations at a time when Japan is becoming a super-aging society."

"It would be an inevitable path to take to boost the consumption tax rate," the state minister said.

Komura said, however, the tax hike should come only after a full-fledged economic recovery is ensured.

The EPA chief was reluctant to immediately lower utilities rates in response to the yen's sharp upswing.

"I don't think foreign exchange rates will stabilize at current levels, so I want to consider (such a cut) after waiting and seeing," he said.

Multiyear Tax Cuts Decided

*OW0507071294 Tokyo KYODO in English 0513 GMT
5 Jul 94*

[Text] Tokyo, Jul 5 (KYODO)—The government and the ruling coalition parties decided on Tuesday [5 Jul] to continue demand-boosting income tax reductions in fiscal 1995 and beyond, a government spokesman said.

"We will make clear our plan to implement a certain amount of tax cuts" at the coming summit of the Group of Seven (G-7) leading industrialized nations, Deputy Chief Cabinet Secretary Hiroyuki Sonoda told a news conference.

The current one-year income and residential tax cuts, totaling 5.5 trillion yen, are the centerpiece of the 15.25 trillion yen pump-priming package unveiled in February by the administration of then Prime Minister Morihiro Hosokawa.

Sonoda said the leaders of the government and the ruling parties shared a view that the scale of the continued tax cuts should be roughly the same as those for fiscal 1994.

Tuesday's decision came a day after Prime Minister Tomiichi Murayama and his key cabinet ministers agreed that Japan should declare its plan to extend the tax cuts beyond this fiscal year at the G-7 summit to be held in Naples, Italy, from Friday through Sunday.

The three cabinet ministers were Deputy Prime Minister and Foreign Minister Yohei Kono, Finance Minister Masayoshi Takemura and International Trade and Industry Minister Ryutaro Hashimoto, all of whom will attend the G-7 summit.

Japan has been expected to continue large-scale tax cuts to spur its domestic demand and hence its appetite for imports, as a means of rectifying its huge global trade surplus.

At Tuesday's meeting, the government and the ruling parties also decided to modify and flesh out the current 430 trillion yen public works spending program for fiscal 1991 to 2000, so as to improve the social infrastructure, Sonoda said.

They also decided to draw up a fresh five-year program on deregulation by the end of fiscal 1994, in addition to a package of deregulatory measures adopted by the cabinet on Tuesday, Sonoda said.

Takemura Vows Tax Cuts to Mondale

*OW0507092494 Tokyo KYODO in English 0904 GMT
5 Jul 94*

[Text] Tokyo, July 5 (KYODO) —Japan's new government will continue pursuing multiyear tax cuts, deregulation and other measures promised in the March market-opening package, Finance Minister Masayoshi Takemura told U.S. Ambassador Walter Mondale on Tuesday [5 Jul].

A ministry official, briefing reporters on a 30-minute courtesy call by the U.S. ambassador, quoted Takemura as saying Japan will keep the promises in the March package announced by the former government, particularly to continue the tax cuts and promote deregulatory steps.

Takemura promised to present multiyear tax cuts at the three-day summit of Group of Seven major nations in Naples starting Friday, the official said.

He said Mondale asked about reports that Japan intends to adopt multiyear tax cuts worth 6.2 trillion yen a year while leaving aside discussions on an offsetting consumption tax hike for three years.

Takemura denied the reports but said Japan will leave a time lag between tax cuts and a consumption tax hike in a bid to help the economy recovery.

But he told Mondale that discussions on the two measures will be conducted together, while offering no specific dates or scale, the official said.

After emerging from the meeting, Mondale said, "We had general talks because it was just a courtesy call."

Asked if they talked about the Japan-U.S. framework trade talks and currency rates, Mondale said, "I won't comment on that ...the Japanese side will brief" on the talks.

On the framework talks, the Japanese official quoted Takemura as saying they have progressed "substantially" in the three priority areas—automobile and auto parts, insurance business, and government procurement of telecommunications and medical equipment.

Takemura and Mondale agreed on further efforts to conclude the talks.

Pressed later by reporters to elaborate on the "substantial" progress, the official said he just quoted what Takemura had said, and noted that the finance minister was apparently referring to the insurance field.

On currency rates, the official also declined to comment but said they did not go into details.

Takemura said Japan's economy is gradually showing signs of recovery and stressed the importance of steadily implementing the February 15.25 trillion yen stimulus package and the just-enacted fiscal 1994 budget to put the economy on a recovery path in the current fiscal year.

This will lead to boosting domestic demand and contribute to cutting Japan's trade surplus, the official quoted Takemura as saying.

Takemura also explained that Japan's current account surplus for May released Monday show a clear downward trend in yen terms.

On expected major issues at the summit, Takemura pointed to world growth, jobs, aid to Russia, and new roles for the International Monetary Fund and the World Bank.

SDPJ's 'Priority' on Cuts

OW0207063194 Tokyo KYODO in English 0622 GMT
2 Jul 94

[Text] Tokyo, July 2 KYODO—Wataru Kubo, secretary general of the key coalition member Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ], said Saturday [2 July] tax cuts should have priority in carrying out tax reform.

In a television program, Kubo said sweeping tax reforms does not necessarily couple tax reduction with a raise in taxes. He said, "I mean tax reduction should be done first this time. Increases in taxes may be postponed shortly." Kubo also said the new three-party coalition does not necessarily have to carry out tax reforms by the end of the year.

The previous government of Prime Minister Tsutomu Hata has set the deadline for enacting necessary legislation on tax reforms by the end of the year.

The secretary general admitted the SDP once promised tax reform by the yearend when the party was a key element in the former government of Prime Minister Morihiro Hosokawa. But he said, "it is not necessary to stick to it too much," citing that such reform needs understanding by the people beforehand. He expressed opposition against a mere raise in the current 3 percent consumption tax without correcting defects in the consumption tax system.

Prime Minister Tomiichi Murayama told a news conference Friday that the government will do its best so it can enact necessary legislation on tax reforms by the end of the year. The premier also took a cautious stand over a consumption tax hike to offset "permanent" tax cuts.

North Korea

North-South Contact on Summit Reconvenes 2 Jul

SK0207021094 Pyongyang Korean Central
Broadcasting Network in Korean 0110 GMT 2 July 94

[Text] A contact of delegates to discuss the working procedural matters for North-South top-level talks is now being continued in camera even today, following yesterday, in the South side's area of Panmunjom, amid the great interest of the fellow countrymen in the North, South, and abroad, as well as of the people throughout the world who hope that the two sides can open a new phase for the reunification of the fatherland by holding their top-level talks as soon as possible, which will be held for the first time in the history of national division which has lasted for over half a century.

Reporters from the North, South, and abroad came to Panmunjom to cover news on the second round of the delegates' contact to discuss the working procedural matters for the North-South top-level talks.

Paek Nam-chun, delegate from our side and chief counselor of the Administration Council and his entourage, and the delegate from the South side and his entourage came to the contact of the delegates.

Our side put forward a 15-point draft agreement on working procedures to implement the agreement adopted at the vice premier-level preliminary contact on 28 June for the North-South top-level talks. The draft agreement on working procedures put forward by our side, which is thoroughly based on the spirit and content of the agreement for holding the North-South top-level talks and which amply takes into consideration the working procedures already proposed by the South side, is a reasonable and constructive one which will successfully ensure the holding of the North-South top-level talks.

Also, the South side put forward a draft agreement on working procedures.

Yesterday the two sides sincerely discussed the drafts agreements on working procedures respectively presented by the two sides, and reached a unanimity of views on a series of matters.

In today's contact of delegates which began at 10:00 AM [0100 GMT], the two sides will continue discussing the procedural matters on which they have not been able to narrow their differences.

N-S Agreement Officially Adopted

*SK0207131194 Pyongyang Korean Central
Broadcasting Network in Korean 1209 GMT 2 Jul 94*

[Text] A second round of contacts of the two side's delegates to discuss working-level procedures for the North-South top-level talks was made at Panmunjom today in connection with the historic North-South top-level talks [puknam choegowikup hoedam], which will be held in Pyongyang next 25 July.

Serious negotiations took place at the sessions held this morning and afternoon on the two sides' drafts of an agreement on the working-level procedures for the holding of the North-South top-level talks.

At the contact, the two sides agreed to all working-level procedures in 14 items which include the make-up and size of the South side's delegation that will participate in the North-South top-level talks, the type of talks, the itinerary of the stay, the dispatch of an advance team, procedures for the comings and goings, the offering of facilities, and the guarantee of personal safety. They also officially adopted an agreement on the holding of the North-South top-level talks.

The delegates from the two sides signed the copies of the agreement and exchanged them.

According to the agreement, the South side's delegation to the North-South top-level talks in Pyongyang shall consist of 100 entourage members and 80 reporters.

Prior to the holding of the North-South top-level talks, there will be negotiations on concrete working-level questions, such as protocol, telecommunications, and news reporting necessary for the holding of the top-level talks in the presence of the South side's working-level officials in Pyongyang for three nights and four days, beginning 13 July. The South side shall dispatch a 25-member advance team to Pyongyang three days before the beginning of the top-level talks.

Prior to this, the two sides shall make working-level contacts to negotiate working-level questions, including telecommunications, in Panmunjom on 7 and 8 July.

The South side's delegation shall come and go via automobile.

Also stipulated in the agreement are working-level procedure-related questions such as offering of facilities, guaranteeing of telecommunications, news coverage activities, and personal safety.

An agreement on working-level procedures was also adopted, following an agreement adopted for the holding of the North-South top-level talks on 28 June amid the great expectation of all countrymen and the world's attention. Therefore, for the first time in the half-a-century-long history of national division, the North-South top-level talks in Pyongyang will successfully be realized. Joy and hope will be given to the countrymen in the North and South, and overseas, who wish to see the end of division and confrontation and achieve the fatherland's independent and peaceful reunification.

After the contact, our side's delegate Paek Nam-chun held a news conference at Tongilgak with reporters from home and abroad.

KCNA Reports Agreements Adopted

*SK0207153394 Pyongyang KCNA in English 1525
GMT 2 Jul 94*

["Agreement on Working Procedures for North-South Summit Adopted"—KCNA headline]

[Text] Panmunjom, July 2 (KCNA)—The second contact of delegates from both sides for the discussion of working procedures took place at Panmunjom today for the opening of the historical North-South top-level talks which are scheduled to open in Pyongyang on July 25.

The contact continued from morning till afternoon. There a unanimity of views was reached on all the 14 points of the procedural matters including the composition and size of the delegation of the South side to the talks, the form of talks, the timetable of stay, the dispatch of an advance team, the procedures of travel, offer of conveniences and personal safety, with the result that an agreement on working procedures for the opening of the North-South summit was formally adopted.

The South side's delegation to the talks in Pyongyang, according to the agreement, will be composed of 100 suite members and 80 reporters.

Before the opening of the top-level talks, for three nights and four days from July 13, a consultation of concrete working matters for the opening of the summit such as formalities, communications and news service will be held in Pyongyang with the participation of South side's working personnel and the South side will send a 25-men advance team to Pyongyang three days before the opening of the talks.

And it was agreed to hold working-level contacts of both sides, earlier at Panmunjom on July 7 and 8, to consult working matters including communications.

The delegation of the South side is to travel by car.

Also specified in the agreement are such procedural matters as offer of conveniences, ensure of communications and news coverage, and guarantee of personal safety.

With the adoption of an agreement on working procedures following the adoption of an agreement on the opening of North-South top-level talks on June 28 amid the great expectation of all the fellow countrymen and the concern of the world, it has become possible to successfully open the North-South top-level talks in Pyongyang for the first time in the history of nearly a half century-long division of the nation and bring joy and hope to the Koreans in the North and the South and overseas who are eager to put an end to division and confrontation and achieve the independent and peaceful reunification of the country.

After the contact, delegate of the North side Paek Nam-chun gave a news briefing to home and foreign reporters at the Thongil house.

Reportage on Proposed Summit Talks Continues

U.S. Hard-Liners' Remarks Viewed

SK0207083094 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 1 Jul 94

[Commentary by Yun Pyong-son: "Mean Interference"]

[Text] U.S. hard-line conservatives have repeatedly and daily made very uncourteous remarks that slander and defame us.

According to reports, U.S. Senator Dole said at Senate Foreign Affairs Committee hearings on 27 June that the Clinton administration must not excessively believe in North Korea [pukchoson] and that the United States must continue discussions on sanctions with its allies. In an interview with NHK in Tokyo on 28 June, Solarz, former chairman of the East Asian and Pacific Affairs Subcommittee of the U.S. House of Representatives, made the unreasonable remarks that he could in no way say that the crisis had disappeared and that the nuclear

material which North Korea had reprocessed must be the focus of the upcoming U.S.-DPRK talks. Also, U.S. Senator McCain recently stated that the high-level talks Washington and Pyongyang agreed on would not be able to resolve the nuclear issue and that the Clinton administration must hastily map out measures to step up Seoul's forces. These remarks are absurd ones that seriously incite us and make us unpleasant.

If the third round of DPRK-U.S. talks, which will soon take place in Geneva, proceeds well, the nuclear issue on the Korean peninsula will no doubt be resolved fundamentally, and a momentous turn will take place in DPRK-U.S. relations. This would be beneficial to both the DPRK and the United States and greatly contribute to peace and security on the Korean peninsula, in Asia, and in the world.

This is why the world so wholeheartedly supports and welcomes the holding of the third round of DPRK-U.S. talks and unanimously expects that the talks will proceed successfully. Nevertheless, U.S. hard-line conservatives unchangingly make only wrong remarks. U.S. hard-line conservatives, seized with the anachronistic concept of strong-arm measures, are not able to see even the immediate future, and their way of thinking is very simple and childish.

U.S. hard-line conservatives who intend to crush [apsal] our Republic through some sanctions or strong-arm measures, not through dialogue and negotiations, made those remarks, needless to say, out of a vicious intention to mar the atmosphere of the third round of DPRK-U.S. talks, which will soon take place, and bring the situation on the Korean peninsula again to the brink of war. As the entire world acknowledges, our positions on international relations are always independent, just, and consistent. We utter no empty words, and we fulfill, to the end, what we promised and put into practice without fail what we determined.

Nevertheless, U.S. Senator Dole babbled [ttoborin] that one must not believe in us. This is an unforgivable defilement of us. Such absurd remarks can be made only by those who do not want the relaxation of tension on the Korean peninsula and the improvement of DPRK-U.S. relations.

All facts show that U.S. hard-line conservatives, irritated by the holding of the third round of DPRK-U.S. talks, are running amok to interfere with the talks at all cost and, thus, build an artificial obstacle to them. However, this is a foolish attempt.

History has proven that strong-arm measures or pressures do not work. U.S. hard-line conservatives must clearly see the trend of the times and act with discretion. And, they must no longer commit mean acts that mar the atmosphere of the talks.

'Bellicose Elements' Efforts Noted

*SK0207050294 Pyongyang KCNA in English 0438
GMT 2 Jul 94*

[“S. Korean Bellicose Elements Must Not Spoil Climate of Talks”—KCNA headline]

[Text] Pyongyang, July 2 (KCNA)—A South Korean “Defence Ministry” official concerned with the affairs of the North recently slandered the North, calling its proposal for arms reduction “propaganda tactics.”

Commenting on this, NODONG SINMUN today says:

We cannot help taking a serious view of the wicked remarks made by South Korean bellicose elements, spoiling the atmosphere of talks, at a time when the North and the South agreed to have top-level talks and the entire fellow countrymen are eagerly hoping for the peace and peaceful reunification of the country.

The analyst further says:

It was not for propaganda purpose that we proposed the reduction of the Armed Forces of the North and the South to 100,000 men each. It is necessary for removing the danger of war on the Korean peninsula and promoting its peace and peaceful reunification.

Anyone who truly wants peace and peaceful reunification of the country has no reason to reject our just proposal for arms cut or slander the other side over it when the North-South top-level talks are on the order of the day.

Nevertheless, the South Korean bellicose elements are abusing the peace overture of the North as “propaganda tactics”, far from repenting of their crimes in seeking North-South confrontation, speeding up arms buildup and going ahead with war preparations against the North in league with outside forces. This is motivated by a criminal intention to persistently seek confrontation and war moves for their existence and spoil the atmosphere of the top-level talks.

It is an old game of the South Korean bellicose elements to foster confrontation and undermine the atmosphere of dialogue each time the North and the South are having dialogue.

If the hard-won top-level talks are to successfully open and a radical phase be created for the peace and reunification of the country, the bellicose elements who hate them must be removed.

SKNDF Head on 'Top-Level' Talks

*SK0507050894 Pyongyang KCNA in English 0419
GMT 5 Jul 94*

[Text] Pyongyang, July 5 (KCNA)—Yi Chong-sang, chief of the Pyongyang mission of the South Korean National Democratic Front [SKNDF] (Hanminjon),

made public a statement on July 2 on the occasion of the 22nd anniversary of the publication of the July 4 North-South joint statement.

“The publication of the July 4 North-South joint statement, an epochal event in the struggle of the Korean people for national reunification, was a brilliant fruition of the outstanding line and policy of independent reunification of the great leader President Kim Il-song who had wisely led their cause of national reunification”, he said, and went on:

“The three principles of independence, peaceful reunification and great national unity laid down in the July 4 North-South joint statement are a common reunification programme of the nation for achieving national reunification independently, not in reliance upon outside forces, peacefully, not by confrontation, and with the concerted efforts of the nation, not by split. They are a historical milestone in the solution of the reunification question.”

Referring to the expected North-South top-level talks, he said:

If the talks is to be the starting point in solving the reunification question in conformity with the desire of the entire fellow countrymen, the present “government of the Democratic Liberal Party” must first of all approach this important talks with sincerity and must not use it as a deceptive means of maintaining its “power”.

It must totally shake itself free from its past shameful dependence upon outside forces and finally abolish or dissolve such repressive means and tools against the fellow countrymen as the “National Security Law” and the “Security Planning Board” which are incompatible with the final purpose of the talks.

It must also stop all its suppressive acts against the righteous struggle of South Korean people for independence, democracy and reunification, get the foreign troops withdrawn from South Korea and discard the anachronistic confrontation and war rackets.

Chongnyon Vice Chairman on Talks

*SK0507030094 Pyongyang Korean Central
Broadcasting Network in Korean 2200 GMT 4 Jul 94*

[Text] Choe Pyong-cho, vice chairman of the Standing Committee of the General Association of Korean Residents in Japan [Chongnyon], who is sojourning in the socialist fatherland, is very pleased that the historic North-South top-level talks are to be held in Pyongyang and hopes that the talks will be held successfully without failing the interest and expectations of our nation.

On 4 July he expressed his thoughts about the holding of the North-South top-level talks as follows:

In the first place, I cannot help but feel excited at the important news that the agreement on the holding of the

North-South top-level talks has been adopted to the joy of our entire fellow countrymen. I warmly support and welcome the talks as all the Japan-resident compatriots do.

The great leader Generalissimo Kim Il-song proposed top-level talks as early as May 1972 when North-South dialogue began. The convocation of the North-South top-level talks will be the creation of a new great national history.

The great leader Generalissimo Kim Il-song put forth the 10-point program for the unity of the whole nation for the country's reunification—a torchlight for reunification and patriotism—at the Fifth Session of the Ninth Supreme People's Assembly, thus providing the banner of unity which arouses people to national unity and the country's reunification, not only for those who yearn for reunification but also for those who fear or are indifferent to reunification, as well.

Our nation should travel the road of achieving the country's reunification with the unity of the whole nation. The history of division and confrontation, which has continued for nearly half a century, shows that our nation must be united to achieve a new bright day of peace and to pull down the wall of division to pave the way for reunification. All the Japan-resident compatriots, with the compatriots in the North and the South, ardently wish the North-South top-level talks to be an important historical turning point for setting the future of the nation in a correct course.

The adoption of the agreement on holding the North-South top-level talks is the reflection of the national yearning for reunification in the nineties. Whether the North-South top-level talks will be held successfully in conformity with the yearning of the nation depends on how the position and spirit of national independence are maintained and displayed. If both the North and the South place themselves in the position of national independence, a historic upturn will undoubtedly be made in the North-South relations and a momentous phase will be opened in the solution of the problem of the country's reunification.

He continued: Our fellow countrymen in the North, the South, and overseas share joy, happiness, sorrow, and pain. Our fellow countrymen should now stop running counter to the great national cause, feuding and confronting each other.

He stressed that the North-South top-level talks to be held in Pyongyang from 25 to 27 July will become an important historic event that gives our 70 million fellow countrymen a new hope for reunification in the nineties.

ROK Officials 'Mar' Atmosphere

SK0207005894 Pyongyang Korean Central
Broadcasting Network in Korean 2115 GMT 1 Jul 94

[Information No. 651 issued by the Secretariat of the Committee for the Peaceful Reunification of the Fatherland in Pyongyang on 1 July —read by announcer]

[Text] The Secretariat of the Committee for Peaceful Reunification of the Fatherland [CPRF] issued the following information denouncing some South Korean authorities for their recent insidious remarks to mar the atmosphere of talks [hoedam punwigilul hurige hanun] with the approach of the North-South top-level talks.

CPRF Secretariat Information No. 651:

Now, all fellow countrymen in the North, South, and abroad warmly support and welcome that the North-South top-level talks will be able to be held in the future. They hope that during the historical talks, which will be held for the first time since the nation was divided, a new phase can be opened for the peace of the country and its peaceful reunification. This is the natural desire and expectation of our people who want to independently and peacefully resolve the country's peace and reunification issue without any intervention by outside forces. Nevertheless, insidious remarks that run counter to such desire and expectation of our people have been made in South Korea.

According to reports, during his 29 June report to the National Assembly on state affairs, the South Korean prime minister impudently said that the government would make every effort to ensure North Korea's nuclear transparency through North-South summit talks and that North Korea must abide by the Nuclear Nonproliferation Treaty and accept the [International Atomic Energy] Agency's inspections. In addition, Kim Chong-pil, executive chairman of the Democratic Liberal Party, during his 30 June speech to the National Assembly as representative of his party, made the presumptuous remarks that in the summit talks the North and South must make clear each side's position and principle on resolving the nuclear issue and that not only the transparency of the present and future but that of the past must be ensured firmly. The South Korean prime minister and the executive chairman of the Democratic Liberal Party made these remarks with North-South top-level talks on the horizon. This is very ill-boding [sinisangchiannun] and can never be overlooked.

Whether to discuss the nuclear issue at North-South top-level talks or not is a matter that the top-level leaders of the North and South can decide on, not a matter that the South Korean prime minister or Kim Chong-pil can mention this way or that.

The nuclear issue on the Korean peninsula was given rise to when the United States brought nuclear weapons into South Korea and has become grave because they have constantly threatened us with those weapons.

The nuclear issue on the Korean peninsula must be resolved, first of all, between the DPRK and the United States. We and the United States, parties directly concerned with regard to resolving the nuclear issue, have already agreed to hold the third round of DPRK-U.S. talks, and, as a result, we have become able to anticipate the resolution of the nuclear issue on the Korean peninsula. At this turning point, the South Korean prime minister and Kim Chong-pil presumptuously found fault with us with regard to the nuclear issue. This is an act of shaking their fists at the North-South top-level talks. This also shows that even today when the road toward peace in the country and its peaceful reunification will open as a result of North-South top-level talks, they failed to free themselves from their old habit of trying to isolate and crush [korip apsal] our Republic under the pretext of the nuclear issue.

Moreover, what we cannot but take issue with is that the fact that they babbled about [unun] our nonexistent nuclear issue while not mentioning that the U.S. nuclear weapons in South Korea would mar the atmosphere of North-South top-level talks.

The agreement on holding North-South top-level talks stipulates that the sides will make joint efforts to promote an atmosphere of North-South top-level talks favorable to reconciliation, unity, trust, and understanding. Therefore, the North and South must not make remarks or commit acts that mar the atmosphere of North-South top-level talks at present.

We have more to say about the nuclear issue on the Korean peninsula than the South Korean authorities do. The South Korean prime minister and the executive chairman of the Democratic Liberal Party make provocative remarks concerning us. We cannot but suspect that they may have deliberately made those remarks from an insidious political purpose because they do not welcome [talgawa hajiannun] North-South top-level talks.

The South Korean authorities must no longer make remarks that mar the atmosphere of the talks.

1 July 1994

KCNA on CPRF Information No 651

SK0207045794 Pyongyang KCNA in English 0433
GMT 2 Jul 94

["South Korean Authorities Must Utter No More Words Beclouding Atmosphere of Talks"—KCNA headline]

[Text] Pyongyang, July 2 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] issued its information No. 651 on Friday denouncing some authorities of South Korea for letting out insidious remarks spoiling the atmosphere of North-South top-level talks.

According to the information, the South Korean "prime minister" said in his "report to the National Assembly on the state policy" June 29 that in the future "the

government would do its utmost to secure the nuclear transparency of the North through the South-North summit" and that "the North should observe the Nuclear Nonproliferation Treaty" and "accept inspection by the agency (IAEA)". On June 30, Kim Chong-pil, chairman of the "Democratic Liberal Party" [DLP], told the "National Assembly" that "firm stand and principle must be shown at the summit in solving the nuclear issue between the South and the North".

The nuclear issue on the Korean peninsula must be solved between the DPRK and the United States under all circumstances. The DPRK and the United States, the parties directly concerned with a solution of the nuclear issue, have already agreed to hold the third round of talks, and this has opened up prospects of solving the issue.

At such a moment of a dramatic turn, the South Korean "prime minister" and Kim Chong-pil obtrusively tried to poke their nose into the "nuclear issue", talking rubbish about it. This shows that they have not yet discarded the mode of thinking for isolating and stifling the DPRK over the "nuclear issue" even at the moment when the way of peace and peaceful reunification of the country has been opened with top-level talks due to be held between the North and the South.

What must not be overlooked here is that they did not utter a word about the U.S. nuclear weapons deployed in South Korea, while talking volubly about the fictitious North's "nuclear issue". This is an act of beclouding the atmosphere of North-South top-level talks.

We have a lot of more things to say than the South Korean authorities about the nuclear issue on the Korean peninsula.

We cannot but think that the South Korean "prime minister" and the chairman of the "DLP" made such provocative remarks against the DPRK intentionally, motivated by a sinister political aim, as they dislike the North-South top-level talks.

The South Korean authorities must utter no more words that may spoil the atmosphere of talks.

Reconciliation, Unity Urged

SK0507052194 Pyongyang KCNA in English 0431
GMT 5 Jul 94

["NODONG SINMUN Urges Dramatic Turn in Efforts for National Reunification Through North-South Summit"—KCNA headline]

[Text] Pyongyang, July 5 (KCNA)—It is not North-South confrontation but reconciliation and unity that is needed for opening a dramatic phase for the development of the North-South relations and the reunification of the country through successful North-South top-level talks in Pyongyang, declares NODONG SINMUN today.

Today when the first North-South summit ever since territorial division is in sight, neither side must utter words or do things getting on the nerve of the other side, fostering distrust and fanning confrontation, it says.

Under the headline "Fellow Countrymen Must Not Antagonize Each Other but Take a Joint Action Against Foreign Aggression," the author of the article continues:

Should our fellow countrymen remain hostile to and fight each other, the imperialist reactionaries will fish in troubled waters and the whole nation will play into the hand of big powers. Nothing else can be expected.

In actuality, it is foreign aggression forces which instigate our nation to remain divided and stand in confrontation against each other.

If the North and the South keep to confrontation, as desired by outside forces, failing to get united and defend the common interests of the nation, it will result in plunging the whole of the Korean peninsula, the North and the South alike, into the scourge of war and forcing disasters upon it.

In no case must the North and the South consume the strength of the nation in a meaningless fight within the nation. Both sides must quickly discard the confrontational concept of the past days, finally stop the political warfare and mud-slinging that cut the other side to the quick and incite distrust.

Neither side must whip up the climate of confrontation, decrying the other's idea, system and political groupings, absolutizing its own.

If the North and the South are to be reconciled and united, neither of them must rely upon outside forces which seek to fish in troubled waters by setting the fellow countrymen of the two parts against each other, but they must depend on the independent forces of the nation, out of patriotism and spirit of national independence. And the obstructionists who are trying to cast chill over national unity, hating it, must be removed.

If the North and the South get united, shelving all the differences, they can well frustrate the aggression and intervention manoeuvres of outside forces and achieve peace and reunification of the country and the prosperity of the nation.

ROK Group Vows To Sponsor Rallies in Seoul

SK0107213094 Pyongyang KCNA in English 1053 GMT 1 Jul 94

[Text] Pyongyang, July 1 (KCNA)—The National Alliance for Democracy and Reunification (Chongukyonhap) of South Korea officially manifested its stand at a press conference on June 29 in connection with the fact that the present "regime" was resorting as ever to the "civilian" dictatorship while intensifying the security-oriented suppression, a Seoul-based radio report said.

Chongukyonhap raised a six-point demand, including the resignation of the ministers of home affairs, labour and transportation and "chief of the national police office" who are responsible for the illegal abuse of "government" power and police intrusion into church halls and campus, and an unconditional release of the detained workers.

It declared that it would sponsor protest rallies in Seoul and all other areas of South Korea from July 1 at the same time to cope with the security-oriented suppression by the "government".

Two IAEA Inspectors Visit Yongbyon Plant

AU0407152794 Paris AFP in English 1500 GMT 4 Jul 94

[Text] Vienna, July 4 (AFP)—Two international inspectors visited North Korea's controversial Yongbyon nuclear plant last week for the first time since May but did not sample radioactive material, an IAEA spokesman said Monday.

The nuclear inspectors did not notice "any particular activity" said David Kyd of the International Atomic Energy Agency here.

In late May IAEA inspectors took samples from the plant's five megawatt experimental reactor, situated 90 kilometres (55 miles) from Pyongyang, but the results have not yet been made public.

North Korea replaced around 8,000 fuel rods in the reactor core before IAEA inspectors arrived, sparking fears that Pyongyang was diverting enriched plutonium from the facility for a secret nuclear bomb-making programme.

However, the IAEA said last month that the rods were too hot for any plutonium to have been extracted.

North Korea has denied attempting to make nuclear weapons but has resisted international pressure to open up Yongbyon to inspection.

Kyd said the two inspectors currently in North Korea would be rotated as planned on July 12.

Diplomats close to the IAEA said the agency's future activities in the isolated Stalinist communist state would depend on progress in talks between the United States and the North Korean authorities scheduled Friday, and the inter-Korean summit set for late July in Pyongyang.

28-30 Jun U.S. Air Force Maneuvers Reported

SK0207045894 Pyongyang KCNA in English 0412 GMT 2 Jul 94

["U.S. Air Force Deployment Manoeuvres Against North"—KCNA headline]

[Text] Pyongyang, July 2 (KCNA)—The U.S. imperialists staged a long-distance flight manoeuvres of flying

corps of their Navy and Airforce from overseas bases to South Korean bases from June 28 to 30, according to military sources.

Formations of Japan-based FA-18 pursuit-assault planes on June 28, scores of fighter-bombers, pursuit-assault planes and patrol planes refuelled in the air above the Pacific on June 29 and formations of Pacific-based F-16 nuclear-capable fighter-bombers and FA-18 pursuit-assault planes on June 30 flew to Osan, Kunsan and other U.S. Airforce bases in South Korea.

On June 30 an overseas-based E-3 early warning plane carried out an espionage on the whole area of the northern half of Korea, flying up to the sky above North of Kangnung near the Military Demarcation Line through the air above Taegu.

Visit by Nunn, Lugar Welcomed at 'Any Time'

OW0307104194 Tokyo KYODO in English 1010 GMT 3 Jul 94

[Text] Tokyo, July 3 KYODO—North Korea welcomes a visit "any time" to Pyongyang by two senior U.S. senators who have advocated a tough posture toward the North's alleged nuclear weapons program, the YOMIURI SHIMBUN newspaper reported Sunday.

The YOMIURI said in a dispatch from New York that North Korea signaled its willingness to have Sen. Sam Nunn, chairman of the Senate Armed Services Committee, and Sen. Richard Lugar, a member of the Senate Foreign Relations Committee, visit.

Quoting sources at the North Korean mission to the United Nations, the YOMIURI said Pyongyang was not logistically prepared to accommodate the two senators in May when the United States, in a meeting in New York on May 23 with North Korea, proposed sending the senators to Pyongyang by air May 26.

North Korea responded that it would welcome their visit from either June 2 or 10, but the U.S. congressional schedule did not allow the two senators to leave Washington, according to the YOMIURI report.

American news reports said at the time that North Korea rejected the proposed travel to Pyongyang by Nunn and Lugar because President Kim Il-song rejected it, citing their tough stand on North Korea's nuclear program and instead favored a trip by former President Jimmy Carter, who North Koreans thought more conciliatory with Pyongyang.

Commentary on DPRK-U.S. Talks Published

SK0307082094 Pyongyang KCNA in English 0810 GMT 3 Jul 94

["They Must Draw Proper Lesson"—KCNA headline]

[Text] Pyongyang, July 3 (KCNA)—The anti-DPRK hostile forces should look back on what they have done

and draw a proper lesson from it, urges NODONG SINMUN today in a commentary on the third round of DPRK-USA talks scheduled in Geneva from July 8.

The analyst says:

The projected opening of the third round of DPRK-USA talks proves once again that pressure and "sanctions" are not a solution to the nuclear issue on the Korean peninsula and that the only solution is dialogue between the DPRK and the USA.

Strong arm can never be a solution to the issue but will lead the situation to a dangerous phase. This is a proper lesson which the United States and other hostile forces that have tried to impose pressure and "sanctions" on the DPRK must learn.

It is not the time it was when the gunboat diplomacy worked. The Korean people are not a people who would yield to pressure, with the dignity of the nation and the sovereignty of the country infringed upon.

Not knowing this, the anti-DPRK hostile forces had thought that if they persistently put pressure on the DPRK, it would yield and they would be able to resolve the problem for their selfish purpose. But it has proved to be a mistake.

Recalling that after the second round of DPRK-USA talks, the United States and its followers became more outspoken in their persistent demand for pressure on and "sanctions" against the DPRK, the commentary says:

This only made the situation more complicated and strained.

They drove the situation on the Korean peninsula to the brink of war, made the third round of talks abortive and barred the DPRK from properly accepting inspections by the International Atomic Energy Agency [IAEA]. The situation went to the extent where the DPRK had to withdraw from the IAEA.

It is self-evident to every one that if a war broke out on the Korean peninsula, it would be beneficial to no one.

There is no doubt that if the unreasonable pressure had not been put on the DPRK, the IAEA inspections appropriate to its unique status would have taken place smoothly.

By putting unreasonable pressure on the DPRK, the United States, the IAEA and the U.N. Security Council disclosed their double standard of their own accord.

The might and will of the Korean people were demonstrated unreservedly while they were resolutely countering the persistent pressure and threat of "sanctions" against the DPRK.

Fortunately, the situation on the Korean peninsula has sidestepped a grave phase, with the third round of DPRK-USA talks in sight.

The opening of the talks is ascribable to the DPRK's consistent will to have dialogue, its good will and magnanimity.

Dialogue and negotiation will bring peace, while pressure and "sanctions" will lead to confrontation. That is why the majority of the world people call for a peaceful, negotiated solution to the nuclear issue on the Korean peninsula.

Some countries, however, failed to see the trend of the times and joined in the campaign for pressure and "sanctions" against the DPRK, dancing to the tune of others' drum beating and blindly following their lead. Some countries sponsored an unjustifiable "resolution" for putting pressure on the DPRK and displayed hectic activities to have it adopted. This unreasonable act has led them nowhere. They should look back on what they have done and draw a proper lesson from it and refrain from such shameful acts as they did in the past.

Delegation Departs for U.S. Talks in Geneva

SK0507103794 Pyongyang KCNA in English 1025 GMT 5 Jul 94

[Text] Pyongyang, July 5 (KCNA)—A delegation of the Democratic People's Republic of Korea led by Kang Sok-chu, first vice foreign minister, left here today by air to participate in the third round of the talks between the DPRK and the United States of America slated in Geneva from July 8.

The first round was held in New York in June 1993 and the second round in Geneva in July last year.

Japan 'Obstructing' DPRK-U.S. Talks Progress

SK0207045694 Pyongyang KCNA in English 0425 GMT 2 Jul 94

["Japanese Reactionaries' Despicable Move To Hinder Progress of DPRK-U.S. Talks Under Fire"—KCNA headline]

[Text] Pyongyang, July 2 (KCNA)—NODONG SINMUN in a commentary today flails away at the Japanese reactionaries making a big scene, thrown into a state of thorough discomfiture by the soon-to-be held third round of DPRK-U.S. talks.

Recalling that Japanese reactionaries including the former foreign minister and the chief of staff of the Air "Self-Defence Force" of Japan recently heaped abuses on the DPRK with outcries for "special inspection" and "full inspection", the analyst says: This is a despicable act to hinder the progress of the DPRK-U.S. talks.

He further says:

We expect a package solution to the nuclear issue at the third round of DPRK-U.S. talks. This is what the Japanese reactionaries are most afraid of. Because this would leave them without a pretext for nuclear armament.

By putting brakes on the DPRK-U.S. talks, the Japanese reactionaries seek to block the solution of the nuclear issue of the Korean peninsula and make it an excuse for their nuclear armament.

Now the Japanese reactionaries are trying to spoil the atmosphere of the talks by setting afloat a rumour that the talks "will be complicated."

We will solve the nuclear issue by means of talks with the United States, whatever obstacles Japan may lay in its way.

If the Japanese reactionaries go on behaving like this, they will invite a bitterer condemnation as a criminal obstructing the settlement of the nuclear issue of the Korean peninsula and a harasser of peace and security.

Government Economic Delegation Leaves for China

SK0507104994 Pyongyang KCNA in English 1027 GMT 5 Jul 94

[Text] Pyongyang, July 5 (KCNA)—A government economic delegation of the Democratic People's Republic of Korea led by Yi Song-tae, chairman of the State External Economic Affairs Commission, left here today for a visit to China.

It was seen off at the airport by Vice-chairman of the State External Economic Affairs Commission Han Su-kil and Chinese Ambassador to Korea Qiao Zonghuai.

WPK Delegation Departs for Cuba 2 Jul

SK0207103594 Pyongyang KCNA in English 1023 GMT 2 Jul 94

[Text] Pyongyang, July 2 (KCNA)—A delegation of the Workers' Party of Korea [WPK] headed by Hwang Chang-yop, secretary of the Central Committee of the party, left here today to visit Cuba.

It was seen off at the airport by a department director of the WPK Central Committee Hyon Chun-kuk, Cuban Ambassador to Korea Jose Ramon Rodriguez Varona and Chinese Ambassador to Korea Qiao Zonghuai.

Foreign Groups Urge Release of ROK Prisoners

SK0407104394 Pyongyang KCNA in English 1025 GMT 4 Jul 94

[Text] Pyongyang, July 4 (KCNA)—The repatriation of old men Kim In-so and Ham Se-hwan, unconverted long-term prisoners in South Korea, and the release of old man An Hak-sop were demanded in various countries and by international organisations.

The international committee for the release and repatriation of unconverted long-term prisoners in South Korea to the North in a letter to the South Korean authorities notified them of the formation of an international group

to investigate the actual condition of unconverted long-term prisoners in South Korea and expressed the hope that the South Korean authorities would affirmatively accede to the offer of the group.

The Portuguese committee for supporting the repatriation of Kim In-yo and Ham Se-hwan to the North and the Portuguese committee for the release of unconverted long-term prisoners in South Korea in an appeal exposed the South Korean authorities' inhuman treatment of old men Kim In-so and Ham Se-hwan, unconverted long-term prisoners, and strongly urged the South Korean authorities immediately to repatriate them, as they want, to the Northern half of Korea where their families live.

Expressing deep apprehensions over the inhuman treatment of the unconverted long-term prisoners in South Korea such as old man An Hak-sop, the appeal demanded that the South Korean authorities release them without delay.

Twelve members of a group of the Amnesty International in Egypt and the Russian branch of the Amnesty International sent letters to the South Korean authorities, demanding the release of An Hak-sop, a long-term prisoner refusing to be converted.

Foreign Parties Adopt Documents on Korean Issue
SK0407221694 Pyongyang KCNA in English 1503 GMT 4 Jul 94

[Text] Pyongyang, July 4 (KCNA)—Political parties of Uruguay and Jordan adopted or published documents on the situation of the Korean peninsula some time ago.

The Secretariat of the Revolutionary Party of Workers of Uruguay in a resolution adopted on June 18 called upon the governments, political parties, public organisations and peoples of all countries in the world to extend support and solidarity to the government of the Democratic People's Republic of Korea and the Korean people in their just struggle to defend the development of science and technology and sovereignty of the country.

Expressing support for the right of the Korean people to peaceful nuclear development, the resolution said all the steps taken by the DPRK stem from its self-defensive stand to achieve social development and economic, cultural and scientific-technological progress and defend socialism.

The People's Unity Party (Unionists), the Progressive Democratic Party, the Communist Party, the Democratic Socialist Party, the Arab Progressive Baath Party, the Arab Mass Party and the Arab Destour Front Party in Jordan released a joint statement June 20.

The struggle of the Korean people to defend the sovereignty of their country, the statement said, is a model for all the people who are striving to defend the national independence and sovereignty and an expression of their patriotic will against domination and subjugation.

It denounced the U.S. aggressive moves to infringe upon the sovereignty of Korea and bring the Korean people to their knees, and called upon political parties and organisations to conduct a movement for solidarity with the valiant Korean people.

President Names Brother Development Program Head

OW0407164994 Tokyo KYODO in English 1451 GMT 4 Jul 94

[Text] Seoul, July 4 KYODO—North Korean President Kim Il-song appointed his younger brother and vice president Kim Yong-chu to head the development program in the special economic zones of Najin and Son-pung, a South Korean economic daily reported Monday [4 July].

The regions were designated by President Kim as special free economy and trade zones at the end of 1991 and are at the core of a large-scale development program sponsored by the United Nations.

MAEIL KYUNGJE SHINMUN newspaper, quoting sources with the U.N. Development Program in Seoul, also said Pyongyang has said it will attend a policy-setting meeting for the U.N.-sponsored development program to be held in mid-July in Moscow.

Death of KPA Vice Marshal Chu To-il Reported

SK0207233994 Pyongyang Korean Central Broadcasting Network in Korean 2115 GMT 2 Jul 94

[Text] An announcement of comrade Chu To-il's death:

Korean People's Army Vice Marshal Comrade Chu To-il, member of the Workers Party of Korea [WPK] Central Committee, member of the party Central Military Commission, and member of the DPRK National Defense Committee, regrettably died at the age of 75 at 6:00 PM [0900 GMT] on 1 July 1994 after he was ill for a long time.

Comrade Chu To-il participated in the glorious anti-Japanese armed struggle organized and led by Comrade Kim Il-song, the great leader of our party and people, and, with an arms in his hands, bravely fought for the freedom and independence of the fatherland.

After independence, the comrade strengthened a revolutionary Armed Forces and actively struggled to safeguard the revolutionary base of the northern half of the Republic, thus upholding the lines of establishing a party, a state, and an Army presented by the respected and beloved leader Comrade Kim Il-song.

During the great fatherland liberation war against the armed invasion of the U.S. imperialists, the comrade—at an important post of the Army—contributed to guaranteeing the victory in war by organizing and commanding soldiers to defeat the enemy.

After the war, the comrade—at an important post of armed organization—devotedly struggled to strengthen and develop our People's Army by upholding the party's military lines. At the last moment of his life, the comrade firmly established the party's monolithic ideological system and was boundlessly faithful to the party and the leader [suryong]. Although comrade Chu To-il has died, his meritorious deeds performed for our party, fatherland, and people will be remembered forever.

[Date] 1 July 1994.

[Signed] The WPK Central Committee, the WPK Central Military Commission, and the DPRK National Defense Committee.

KCNA on Vice Marshal's Death

*SK0207153894 Pyongyang KCNA in English 1529
GMT 2 Jul 94*

[Text] Pyongyang, July 2 (KCNA)—Vice Marshal of the Korean People's Army Chu To-il, member of the Central Committee of the Workers' Party of Korea [WPK], member of the party Central Military Commission and member of the National Defence Commission of the Democratic People's Republic of Korea, died from a long illness to the sorrow of our people at the age of 75 on July 1, 1994.

The Central Committee of the WPK, the Central Military Commission of the WPK and the DPRK National Defence Commission published his obituary Friday.

According to the obituary, Chu To-il participated in the glorious anti-Japanese armed struggle organized and led by the great leader President Kim Il-song and courageously fought for the freedom and independence of the country.

After the liberation of the country, he actively struggled to strengthen the revolutionary Armed Forces and defend the revolutionary base of the northern half of Korea and contributed to ensuring the victory in the great fatherland liberation war against the U.S. imperialists' armed invasion.

Chu To-il worked to strengthen and develop the People's Army, upholding the military line of the party, at important posts of the Armed Forces after the war.

Daily Stresses Unity, Patriotism, Independence

*SK0207102194 Pyongyang KCNA in English 1014
GMT 2 Jul 94*

["Unity Based on Patriotism and Spirit of National Independence Urged"—KCNA headline]

[Text] Pyongyang, July 2 (KCNA)—NODONG SINMUN today comes out with a by-lined article calling for unity based on patriotism and the spirit of national independence.

The article says:

The ideological basis of the great unity of our nation is patriotism and the spirit of national independence. It is literally a noble idea of warmly loving the nation and defending its independence as its life and soul.

Patriotism and the spirit of national independence are the ideological basis of great national unity because they are a common idea of the members of the nation. Independence of a nation is what keeps it alive. Only when the independence of the country and the nation is achieved can the independence of the individuals be realized and if the country and the nation are dependent on others, no one can evade the lot of a ruined nation.

Patriotism and the spirit of national independence are sentiments and national idea common to the members of the nation.

They are the ideological basis of great national unity next because true nationalism in our country is immediately patriotism and our nation is strong in patriotism and in the spirit of independence.

The Korean people who have created a brilliant national culture, succeeding the same blood and one language in one territory for long 50 centuries with Tangun as their father are fervent in its love of the country and the nation and strong in the spirit of independence.

All the members of the Korean nation must turn out in the efforts for national reunification and for the prosperity of the reunified country by fully displaying patriotism and the spirit of national independence, true to its proud traditions, under the banner of great national unity.

Patriotisms and the spirit of national independence are a common idea of the nation linking together the North and the South with one tie.

Lying in them are the sources of will and strength of our nation to shape its destiny for itself and the firm guarantee for defending the common interests of the nation, not playing into the hand of outside forces bent on encroaching upon the interests of our nation and victimizing it.

If all the fellow countrymen in the North, the South and overseas start from patriotism and the spirit of national independence, the common idea of the nation, they can be reconciled and united with each other, transcending all differences, and climb the peak of reunification and prosperity with united internal strength of the nation, breaking the deadlock.

'Subordinating Everything' to Reunification Urged

*SK0407044594 Pyongyang KCNA in English 0422
GMT 4 Jul 94*

["Unity Must Be Based on Principle of Subordinating Everything to Reunification Cause"—KCNA headline]

[Text] Pyongyang, July 4 (KCNA)—What is of paramount importance in accomplishing the cause of the country's reunification, the supreme task of the nation, is to achieve the great unity of the nation, declares NODONG SINMUN today.

Stating that the reunification of the country is not for a specific class or stratum, the author of the article says:

National reunification is a national problem, which must be placed above the class problem.

The commonness of the nation which has been formed and consolidated through a long historical period overwhelms the differences of ideology and system between the North and the South, and the common demand of the nation for the reunification as one nation is immensely more important than the interests of a certain class and a certain stratum.

However it may be important to defend the idea and ideology of a certain class or stratum and its interests, it is more important to accomplish the common cause of the nation.

As there can be a class only when there is a nation, so the interests of a class can be guaranteed only when those of a nation are guaranteed.

To give precedence to the common interests of the nation and subordinate everything to them stands out as a more urgent realistic demand today when it comes to the foreground to achieve the great unity of the whole nation for the reunification of the country.

Our fellow countrymen do not want the interests of the nation to be encroached upon by a specific class or stratum or to play into its hand.

Anyone born of the blood of the Korean, anyone who loves the country and is concerned over the destiny of the nation, must come out for the country's reunification and the prosperity of the nation and strive to achieve the great unity of the nation by pooling strength and wisdom.

The authorities of the North and the South and the fellow countrymen must not place the class interests above national interests nor oppose the struggle for meeting the class demand to the struggle for the reunification of the country.

And there must not be such practice as rejecting or suppressing with government power a certain section of the nation for the reason of difference in political view and ism or antagonising it for the difference in ideology and system.

To achieve a great unity of the whole nation on the principle of subordinating everything to the cause of national reunification is the way out for our nation and the way for achieving common prosperity and unified development.

Embodying 3 Principles of Reunification Urged

SK0407095194 Pyongyang Korean Central

Broadcasting Network in Korean 0110 GMT 4 Jul 94

[NODONG SINMUN 4 July editorial: "Let Us Open an Epochal Phase of Reunification by Embodying the Three Principles"]

[Text] Today, our people, amid joy and excitement of having received inspiring news that the top-level talks [choegowikup hoedam] of the North and the South will take place, are meaningfully marking the 22d anniversary of the announcement of the historical 4 July North-South joint statement. The announcement of the 4 July North-South joint statement was an epoch-making event in the struggle for the fatherland's reunification and in North-South relations.

At the beginning of the 1970's, the great leader Comrade Kim Il-song had scientific insight into the development of the rapidly changing situation at home and abroad. Based on this, he actively arranged a high-level [kow-ikup] political contact between the North and South and presented the three principles of independence, peaceful reunification, and great national unity for the fatherland's reunification. As a result, the historical 4 July joint statement was announced.

With the announcement of the 4 July joint statement between the North and South, the three principles of the fatherland's reunification set forth by the great leader Comrade Kim il-song has become the nation's common program of reunification, which the North and the South jointly confirmed and solemnly declared at home and abroad. It also became a historical milestone in resolving the reunification issue.

The great leader Comrade Kim Il-song has taught: The three principles of the fatherland's reunification is the most just program for reunification that meets the Korean people's independent demand and their fundamental interests and coincides with the trend of the times and the world people's aspiration.

The announcement of the 4 July joint statement by the North and South was a crystallization of noble patriotism and a reflection of the spirit of national independence achieved by our nation on the arduous road of struggle for the fatherland's reunification. It was also a historic event that opened bright prospects for the country's reunification and the nation's future.

The three principles of independence, peaceful reunification, and great national unity embody the nation's common program for reunification, summing up the nation's will and aspiration for the independent and peaceful reunification of the country. They are also a starting point and basis for resolving the problem of national reunification in conformity with the independent demand and fundamental interests of the Korean people.

From the time the 4 July joint statement was announced until now, our party and the Republic's Government have valued the idea and principles of the joint statement and made every sincere effort to embody them. Our fellow countrymen in the North, South, and overseas who aspire for reunification ardently hope for the early realization of the country's reunification in conformity with the three principles of the fatherland's reunification set forth by the great leader Comrade Kim Il-song.

The agreement reached between the North and South to hold the top-level talks [choegowikup hoedam] is an historic event that deserves a welcome and that reflects the desire of the nation to achieve reunification in the nineties and manifests the will of the nation to realize the fatherland's reunification by its own efforts, without interference from the outside.

The first top-level talks [choegowikup hoedam] between the North and South is scheduled to take place. Therefore, today, the three principles of the fatherland's reunification as elucidated in the 4 July joint statement has greater practical significance.

Regardless of how the situation changes, reunification of our fatherland must be realized based on the three principles of independence, peaceful reunification, and great national unity, which was proclaimed before the world as a joint national reunification program.

The basic spirit of the 4 July joint statement is reunification. Realizing the cause of the fatherland's reunification in the nineties is our nation's exact will. The danger of a nuclear war and the nation's perpetual division is hanging heavily over the fatherland due to aggression and war maneuvers by outside forces. Therefore, our country's situation presents the fatherland's reunification as a more urgent task.

The way for the nation to live and prosper lies in establishing a national sovereign right from a national point of view by defeating aggression and interference by outside forces and achieving the fatherland's reunification. The principle of national sovereignty is the core in resolving the reunification issue, and is the starting point in the struggle for the fatherland's reunification.

History tells us that national sovereignty is indeed patriotism and that depending on outside forces is the road to national ruin. When viewed practically, our country's reunification issue has not been resolved up to the present and a complicated situation has been created in the country. This is due to aggression and interference by outside forces.

The outside forces that divided our country will never offer reunification to our nation. Our country's reunification can be resolved in accordance with the nation's will and interest only when it is in conformity with our own nation's strength and aggression and interference by outside forces are eliminated.

If our country's reunification is to be resolved by dependence on outside forces, this is not an attitude to achieve reunification but an attitude to carry out confrontation. This will only result in entrusting the nation to become a victim of outside forces.

Peace is a pending task that the North and South must resolve first for the country's reunification and the nation's welfare. The danger of a war is always hanging heavily over our country. If a war breaks out, the nation's existence itself will be in danger, let alone the fatherland's reunification.

An urgent issue in realizing the fatherland's independent and peaceful reunification is guaranteeing peace on the Korean peninsula and providing a precondition for a peaceful reunification.

Under the condition that an agreement on reconciliation, cooperation, and nonaggression has been reached between the North and South, it is important to establish practical measures, such as realizing arms reduction, dissolving the military confrontational situation, and making the Korean peninsula a nuclear-free peace zone, to ease tension in accordance with the spirit of the North-South agreement.

For the whole nation to achieve great unity is a fundamental guarantee of the fatherland's reunification.

The great leader Comrade Kim Il-song, the sun of the nation and the lodestar of the fatherland's reunification—based on a profound analysis of the essence of the issue of reunifying the fatherland, the historic experiences of the reunification movement, and the demand of the development of the situation—earlier presented great national unity as one of the fundamental principles of the fatherland's reunification. Last year he wrote and made public the 10-point program of the great unity of the entire nation for the fatherland's reunification, a grand charter of national unity.

The great unity of the entire nation is the most correct way to break through the prevailing difficult situation and achieve the cause of reunifying the country in the nineties on the independent strength of our nation.

In a solemn period when one may choose to willingly submit oneself to the national division, which outside forces pushed on oneself, and eventually be victimized by outside forces or when one may choose to unite with one's fellow countrymen who have the same blood and open the way toward reunification, considering the 10-point program of the great unity of the entire nation to be the common guideline of the nation; and uniting themselves as fellow countrymen after transcending differences in ideas, ideology, and systems is a national obligation that no one can avoid.

The most reasonable way to achieve the fatherland's independent, peaceful reunification based on the three principles of the fatherland's reunification is to achieve

reunification under a confederal system based on one nation and one state and two systems and two governments.

Our formula on establishing the Democratic Confederal Republic of Koryo is the most just reunification plan under which neither side conquers or is conquered by the other and under which the issue of reunifying the country can be independently and peacefully resolved under circumstances in which different ideas and systems exist in the North and South.

In hearty response to the 10-point program of the great unity of the entire nation, the nation's common milestone for the fatherland's reunification, all compatriots in the North and South and abroad must unanimously rise up to wage the struggle to found a pannational reunified state [pomminjok tongil kukka] that can represent all members of the nation from various parties, factions, and classes.

Our fellow countrymen in the North and South and abroad attach great significance to the North-South top-level talks [choegowikup hoedam]. If both the North and South assume the spirit of national independence and a national position, top-level talks [choegowikup hoedam] will be successfully held in compliance with the fellow countrymen's earnest desire for national security [minjogui anjon] and the fatherland's independent, peaceful reunification and, thus, become a historic occasion to provide a turning point to achieve reunification in the nineties.

No force can crush the Korean people's strong will to reunify the country by implementing the three principles of the fatherland's reunification or stop our people's vigorous march toward the country's reunification and the prosperity and development of the reunified fatherland.

Our people, upholding the great leader Comrade Kim Il-song, will defeat challenges from divisionists at home and abroad and achieve the historic cause of achieving reunification in the nineties without fail by strongly uniting all forces for reunification and patriotism at home and abroad under the wise leadership of the dear leader Comrade Kim Chong-il.

'Confederacy Formula' Supported

SK0407052294 Pyongyang KCNA in English 0500
GMT 4 Jul 94

[“NODONG SINMUN Calls For Application of Three Principles of National Reunification”—KCNA headline]

[Text] Pyongyang, June 4 (KCNA)—The great leader President Kim Il-song, basing himself on a scientific analysis of the domestic and international situation that was rapidly changing entering the 1970s, actively arranged high-level political talks between the North and the South, laid down the three principles of national

reunification—independence, peaceful reunification and great national unity—and had a North-South joint statement published on the basis of these principles.

NODONG SINMUN today dedicates an editorial to the 22nd anniversary of the publication of the joint statement on July 4, 1972.

The editorial says:

With the July 4 joint statement published, the three principles of national reunification put forward by the great leader Comrade Kim Il-song has become the common reunification programme of the nation which the North and the South jointly confirmed and solemnly declared worldwide and a historical milestone in the solution to the reunification question.

The publication of the joint statement by the North and the South was a precious fruition of patriotism won by our nation in the arduous struggle for national reunification, an expression of the spirit of national independence and a historical event that opened a bright horizon before the country's reunification and the nation.

The editorial further says:

Recently, the North and the South agreed to have top-level talks. This is a gratifying historical event that manifested the will of the nation to achieve the country's reunification peacefully with the efforts of the nation itself, without foreign interference, and reflects the unanimous desire of the fellow countrymen to reunify the country in the '90s without fail.

The three principles specified in the July 4 joint statement is of greater practical significance today when the first North-South summit in history is on the order of the day. Under whatever situation, our country must be reunified on the basis of the three principles, which the North and the South declared worldwide as the common reunification programme of the nation.

The most reasonable way of achieving the independent and peaceful reunification of the country on these principles is to reunify the country by confederacy formula based on one nation, one state, two systems and two governments.

All the Koreans in the North, South and overseas who are concerned over the destiny of the nation and desirous of reunification must rise up as one in the struggle to found a pan-national reunified state representing all the parties and groupings and the members of the nation of all social strata, in accordance with the 10-point programme of the great unity of the whole nation, the common milestone of the nation for reunification.

If both the North and the South proceed from the spirit of national independence and national stand, the top-level talks will be held successfully in accordance with the desire of the fellow countrymen for the security of the nation and the independent and peaceful reunification

of the country, marking a historical occasion opening a radical phase for the reunification in the 90s.

Prospects for Reunification of Country 'Are Good'

SK0507093794 Pyongyang Korean Central

Broadcasting Network in Korean 0200 GMT 4 Jul 94

[Unattributed talk: "Leading To Hasten the Day of the Fatherland's Reunification"; from the "Great Leadership and Immortal Achievements" program]

[Text] The dear leader Comrade Kim Chong-il has pointed out: Even though there are great obstacles to the fatherland's reunification, we are not pessimistic about reunifying the country. Prospects for resolving the issue of reunifying our country are good.

The history of the fatherland's division and national division, which started in the mid-1940's due to outside forces, still continues in the nineties, even after the eighties.

Reunifying the divided fatherland and connecting severed blood ties of the nation is the nation's foremost task, which cannot be delayed even for a moment and is the unanimous earnest desire of all fellow countrymen.

The dear leader Comrade Kim Chong-il, who is entrusted with the task of fulfilling this earnest national desire of our people, had earlier carried out energetic activities to implement the great leader's plan to achieve the cause of reunifying the fatherland in our generation. Each time the great leader presented a new national reunification plan, strategy, or tactic, the dear comrade leader wisely led the implementation.

The great leader presented a new plan on the fatherland's reunification in 1971. At around that time, the great leader advanced an eight-point reunification proposal to break the obstacles to reunification and presented a new, wide-ranging negotiation plan in which he expressed his intention to discuss the fatherland's reunification anytime with any political party, including the ruling party; public organization; or individual of South Korea.

The dear comrade leader had news agencies and broadcast stations widely propagandize at home and abroad the justness of the new negotiation plan presented by the great leader. He also had various political parties and public organizations write letters to various political parties and public organizations in South Korea and release press statements.

When a tendency toward reunification grew among all fellow countrymen, the South Korean authorities reluctantly responded to dialogue by proposing North-South Red Cross talks intended to find members of separated families. The talks were a far cry from political negotiations intended to resolve the issue of reunifying the country.

The dear comrade leader exercised excellent leadership to ensure that the Red Cross talks, in which delegates of

the North and South would meet for the first time since the division to discuss the nation's internal problems, be held properly. Later, on one day in October of that year, the dear comrade leader called in a pertinent official and asked him to pay attention to political talks with the South Korean authorities as well. From that time on, the North and South began contacts between liaison officials for high-level political talks, separately from the preliminary Red Cross talks.

The director of the [South Korean] Central Intelligence Agency, representing the South Korean side, came to Pyongyang in May 1972. As North-South high-level political talks proceeded, the dear comrade leader paid deep attention to the issue of writing and publicizing a joint statement based on the three principles, which he made sure was done at all costs.

When the delegates of the North and South got together to draft a joint statement, the dear comrade leader called in a pertinent official and stated: Not only the people in the Northern half, but all of the people of South Korea were watching you, comrades.

He also stressed that they must work with great magnanimity, generous attitudes, and sincere persuasive power.

Our side's delegates found something in common, as taught by the dear comrade leader, and a complete agreement was finally reached in the draft of a joint statement based on the three principles of the fatherland's reunification, presented by the great leader, and reflected the issue of establishing a subcommittee to discuss the issue of reunifying the fatherland.

As a result, the first breakthrough to the barriers that have separated the North and South for almost 30 years, and the famous 4 July joint statement, which built a basis for the fatherland's reunification, was solemnly made public at home and abroad on 4 July 1972.

The whole country was excited and joyful over the issuance of the 4 July North-South joint statement, but the joy did not last long. The traitorous act of the national splitists laid a grave obstacle to the country's reunification, and the North-South dialogue, which was carried on amid great interest of the entire nation, fell into a state of stalemate.

Nevertheless, the dear leader Comrade Kim Chong-il groped for ways to resume the stalemated dialogue with more stubborn patience. In July 1972, the dear comrade leader summoned a functionary of a relevant sector and explained to him how to accelerate North-South dialogue again. This was a way to overcome the stalemate of the North-South dialogue and open a new phase in the country's reunification.

Thanks to this wise teaching and energetic leadership, the first round meeting of the full-dress talks between the North and the South Red Cross organizations began. The delegates of the North and the South resumed travel

between Pyongyang and Seoul to participate in the meetings of the cochairmen of the North-South Coordinating Committee.

Many obstacles and difficulties were created in solving the problem of reunification, but our people have made all sincere efforts to expedite the country's reunification under the leadership of the dear comrade leader, the guiding star of reunification.

Comrade (Cha Yun-chin), councilor of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland, says:

[Begin (Cha Yun-chin) recording] Twenty-two years have passed since the adoption of the 4 July North-South joint statement based on the three principles of independence, peaceful reunification, and great national unity put forth by the great leader under the wise leadership of the dear leader Comrade Kim Chong-il. The dear comrade leader who embraces the long-cherished desire of the 70 million fellow countrymen who look eagerly forward to national reunification is exercising his leadership so that our people may wage the struggle for the country's reunification more vigorously.

Thanks to the broad mind and great leadership of the dear comrade leader, who combines into one and drives forward all the forces in the North, the South, and overseas that are determined to achieve the country's reunification in the nineties without fail, the fellow countrymen's yearning for reunification became more enthusiastic than ever. This led to the formation of the Pannational Alliance for the Country's Reunification, an organization which reflects the will of our nation to expedite the country's reunification with the independent strength of the nation.

Then great progress was made in North-South dialogue. North-South high-level talks were held to meet the expectations and yearning of the nation. In the second round of high-level talks in 1992, the Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between the North and the South and the Joint Declaration on the Denuclearization of the Korean Peninsula were adopted. The successes attained in our nation's struggle for the country's reunification and in the North-South dialogue are unthinkable apart from the tested leadership of the dear comrade leader who concentrates all his energetic efforts on the country's reunification. [end recording]

Thus, all the thoughts and activities of the dear leader Comrade Kim Chong-il are always connected with the cause of the country's reunification, the greatest long-cherished desire of our nation. Thanks to his invariable conviction and resolve to destroy the wall of division without fail, the day to achieve reunification is quickly approaching.

South Korea

DPRK To Complete Fuel Rod Assembly 'Soon'

SK0407023294 Seoul HANGUK ILBO in Korean 4 Jul 94 p 1

[By correspondent Yi Sang-sok from Washington]

[Text] European intelligence sources in Washington revealed on 2 July (local time) that North Korea will complete the work to manufacture fuel rods used for the core of the 50mw-class atomic reactor currently being built in Yongbyon "within several weeks", and that it seems that work will start soon to manufacture fuel rods for the 200mw-class atomic reactor being built in Taechon.

Quoting International Atomic Energy Agency's [IAEA] sources, these European sources stated that as originally analyzed by Western intelligence agencies, the main purpose of constructing these two atomic reactors is to produce plutonium for manufacturing nuclear weapons. Also, if these atomic reactors go into operation within a few years, North Korea will be able to secure enough plutonium to manufacture 12-20 nuclear weapons annually.

A European intelligence source, well-informed on the North Korean nuclear issue, said: "Along with this matter, the United States will present the issue of managing the 5mw-class atomic reactor as an important agenda item at the third round of DPRK-U.S. talks slated for 8 July in Geneva. The United States has decided to delay work to confirm whether North Korea had developed nuclear weapons in the past, but rather will exert greatest attention to freezing current and future nuclear development. This is intended to restrain North Korea from securing large amounts of plutonium at these two large atomic reactors."

He also said: "From 1992, North Korea has been carrying out the work to manufacture fuel rods which will be loaded in the 50mw-class atomic reactor by using 30-50 tonnes of uranium from the nuclear fuel manufacturing plant in Yongbyon. It seems that the work to manufacture fuel rods will be completed within several weeks, earlier than originally expected."

He explained: "This facility to manufacture nuclear fuel situated in the nuclear complex in Yongbyon is one of the seven nuclear facilities which North Korea reported to the IAEA. The fuel rods of the 5mw-class atomic reactor in Yongbyon, which became an issue of dispute in May, was also manufactured here."

High-ranking officials of the U.S. Administration, including Defense Secretary William Perry, have revealed that the 50mw-class and 200mw-class atomic reactors will be completed in 1995 and 1996, respectively.

At a seminar held last week at the Strategic International Affairs Institute in Washington, quoting the IAEA report, U.S. Assistant Secretary of State Robert Gallucci said that it is known that the work to build these two atomic reactors is progressing as planned.

Reportage on N-S Summit Preparations Continues

Ministry Sets Up Task Force

SK0207023094 Seoul YONHAP in English 0224 GMT 2 Jul 94

[Text] Seoul, July 2 (YONHAP)—The Foreign Ministry has installed a special inter-Korean summit task force to assist and cooperate with other government agencies, spokesman Chang Ki-ho said Saturday.

Yi Chang-chun, assistant minister for policy planning, heads the task force comprised of 12 staff members including Ambassador for Nuclear Affairs Kim Sam-hun, directors-general for the American affairs bureau Chang Chae-yong, for the UN system bureau Ham Myong-chul and for international economic affairs Choe Yong-chin.

An inter-Korean summit is scheduled in the North Korean capital of Pyongyang from July 25-27.

The task force will consult and cooperate primarily with the presidential office and the National Unification Board while coordinating positions with close allies such as the United States and Japan, the spokesman said.

President Begins To Prepare

SK0207123394 Seoul YONHAP in English 1227 GMT 2 Jul 94

[Text] Seoul, July 2 (YONHAP)—South Korean President Kim Yong-sam embarked on preparation for the first inter-Korean summit slated for July 25-27 in Pyongyang, presidential secretaries said on Saturday.

President Kim was briefed on various data about North Korea and his North Korean counterpart Kim Il-song by task force for the summit, which include Chief Presidential Secretary Pak Kwan-yong, Senior Presidential Secretary for Foreign and National Security Affairs Chong Chong-uk and other secretaries.

Kim plans to concentrate on the preparation for the summit until his visit to Pyongyang, according to officials at Chongwadae [presidential offices].

A presidential secretary said, "The fact itself that the two presidents meet for the first time in half a century since the division of the Korean peninsula is very much significant. Presidential secretaries plan to make perfect preparation for the summit."

Ministries To Submit Reports

SK0307085594 Seoul YONHAP in English 0814 GMT 3 Jul 94

[Text] Seoul, July 3 (YONHAP)—Unification-related ministries are expected to present their report to President Kim Yong-sam early coming week on issues relevant to the upcoming inter-Korean summit, officials said Sunday.

National Unification Board Minister Yi Hong-ku plans to call an inter-ministerial meeting soon to look over summit preparations and find additional tasks necessary for the historic summit slated for July 25-27 in the North Korean capital of Pyongyang.

Officials said President Kim is ready to cut down on his regular work schedule to review the reports and personally get involved in the details of the summit.

The Economic Planning Board (EPB) is in charge of drawing up phased inter-Korean economic cooperation while the unification board will report on basic relations improvement and personnel exchanges including reunion of dispersed families.

The Foreign Ministry will wrap up a report on the nuclear problem and the Defense Ministry on military confidence building and disarmament issues.

Officials said each of the ministry has near finished the reports over the weekend.

The presidential office will take charge in overall protocol and security matters.

The government is still to select the 100-member delegation to accompany President Kim to Pyongyang, they said.

"We are in the process of organizing all the important inter-Korean issues that can be discussed comprehensively at the summit," said one official, "We don't have much time left, so an overall report will be submitted to the presidential office within this week."

DPRK TV Plans To Televise Talks

SK0407020494 Seoul KBS-1 Television Network in Korean 1210 GMT 3 Jul 94

[Text] The first-ever North-South summit talks scheduled for 25-27 July will be televised live to all parts of the world in cooperation with North Korea's Central Television Network. Even though North and South Korea have different television system, it would not be a big problem technically. In 1990, we already watched at home the North-South soccer game being broadcasted live from Pyongyang.

Yi Chae-ho has more on North Korea's Central Television Network: [Begin recording] North Korea's Central Television Network that will televise live the historic summit talks used to be Pyongyang Television Network which had been set up in 1963. After six years of

preparations, Pyongyang Television Network started its first telecast in 1969 in black-and-white with an output of 5 kilowatts. One year later, it changed its name to Korean Central Television Network and increased its output to 25 kilowatts. They began to broadcast in color from 1974, six years earlier than the ROK.

Being censored and controlled by the DPRK Television Broadcasting Committee which is under direct control of the Administration Council, the Korean Central Television Network is strictly operated and managed by the party and the state. It has assumed the role of the party's ideological weapons and has faithfully engaged in the mass propaganda.

It broadcasts six hours a day, and 47 hours and 30 minutes a week on average, which does not reach even one third of our side's broadcasting hour. The programs are mainly focused on propaganda and indoctrination, rather than news and entertainment. The most popular programs among the North Korean residents are an amateur singing contest and a quiz show. Nonetheless, a black-and-white television set costs about 620 won in North Korea which is equivalent to six months income of an average North Korean worker. It has been also known that one of every three households in Pyongyang has a television set.

Now in North Korea, there are Mansudae Television Network which is televised only on weekends and holidays, and Kaesong Television Network which has the same transmission system as ours. As for radio networks, there are approximately 10 radio broadcasting stations and wired radio stations in North Korea.

Since Korean Central Television Network, which has been used only as the party's ideological tool up until now, will broadcast the North-South summit live, it is attracting unusual attention from the world's other broadcasting stations. This has been Yi Chae-ho. [end recording]

President To Propose Family Visits

SK0507004494 Seoul THE KOREA HERALD in English 5 Jul 94 p 1

[Text] South Korean President Kim Yong-sam said yesterday that he will propose at the upcoming inter-Korean summit that South Korea and North Korea organize visits by family members separated in the two Koreas.

"The summit is taking place without any precondition," Kim said, referring to the fact that the two sides agreed not to formulate an agenda for the first-ever inter-Korean summit.

"But I will raise the family reunion issue as an important item during the summit talks," Kim said in a luncheon meeting with a group of prominent North Korean natives who settled in South Korea around the time of the Korean War.

"From a humanitarian standpoint, I will do my best to enable separated family members to visit their hometowns," the President said.

It is the first time that the South Korean President has made a public comment about what he will discuss with North Korean President Kim Il-song during the Pyongyang summit scheduled for July 25-27.

Besides the family reunion issue, President Kim indicated that he would focus his discussions with the North Korean leader on the prevention of war and the North Korean nuclear problem.

"I have conducted 'quadrangular diplomacy' with the four powers (the United States, Japan, Russia and China) on the basic position that there should be no war and that North Korea should ensure its nuclear transparency," he said.

"I have my own ideas about what to tell (Kim Il-song), but it would be undesirable for me to speak of them here.

"The only thing I can tell you definitely is I will do my best to realize your dream of visiting your hometowns (in North Korea), Kim said.

More Summit Preparations Noted

SK0407023594 Seoul HANGUK ILBO in Korean 4 Jul 94 p 1

[Text] It was learned on 3 July that the ROK Government has decided that the results of the upcoming North-South summit talks must be documented and made public without fail, and that it plans to propose to North Korea that the results be documented in the form of a joint communique and made public.

As the North and South had agreed on procedural matters for holding North-South summit talks, the government also has started selecting 100 accompanying officials and mapping out plans on security and protocol, which it will present to North Korea through the first advance team that will visit North Korea on 13 July.

The government also plans to convene a Unification and Security Policy Coordination Council meeting to be presided over by Yi Hong-ku, deputy prime minister and minister of the National Unification Board, early this week and examine various measures to be taken for the North-South summit talks. The government plans to report the results to President Kim Yong-sam.

The government reportedly chose Deputy Prime Minister Yi, Presidential Chief of Staff Pak Kwan-yong, and Chong Chong-uk, senior secretary for foreign and national security affairs, as our side's officials who will sit with President Kim Yong-sam during the private North-South summit talks.

The 100 accompanying officials, out of the 180-member delegation, will reportedly be composed of 12 to 15

official accompanying officials, 30 to 40 unofficial accompanying officials, and approximately 50 security guards.

The official accompanying officials will presumably be composed of two to three cabinet ministers, including Deputy Prime Minister Yi, and five senior presidential secretaries.

The government has also decided to tell North Korea at the 13-16 July contacts of working-level officials in Pyongyang that our side's delegation led by President Kim will not attend any of North Korea's internal events other than official events related to North-South summit talks.

In connection with security, using Former U.S. President Carter as an example, the government will reportedly propose to North Korea that our side's security guards carry guns in President Kim's lodging and other places in North Korea, except for the site of talks with President Kim Il-song.

Agenda, Preparations Detailed

SK0407064394 Seoul YONHAP in English 0634 GMT 4 Jul 94

[Text] Seoul, July 4 (YONHAP)—Securing the transparency of North Korea's nuclear program will top the agenda of the first session of the historic inter-Korean summit opening in Pyongyang on July 25, government sources said Monday.

A gradual expansion of South-North economic cooperation, exchanges between families separated across the border and arms reduction will be intensively discussed at the second session of the summit.

Based on this approach to the first-ever summit since the country was divided in 1945, Unification Minister Yi Hong-ku will call a meeting of the Unification and Security Policy Coordination Council Tuesday to discuss detailed preparations for the talks, including the selection of advance parties to be sent to Pyongyang prior to the summit.

Attending the council meeting will be Defense Minister Yi Pyong-tae, Agency for National Security Planning director Kim Tok, chief presidential secretary Park Kwan-yong and senior presidential secretary for foreign and security affairs Chong Chong-ok.

The government will prepare for the summit in three stages over the coming three weeks. In the first stage ending July 9, the first draft of comprehensive measures for the summit will be drawn up.

During the next week, the government will complete the selection of President Kim Yong-sam's 100-member entourage and the 80-member press corps.

The entourage will include Unification Minister Yi Hong-ku, First State Minister for Political Affairs So

Chong-won and one or two more non-economic ministers. From the Chongwadae staff, Chief Secretary Pak Kwan-yong, Senior Secretary for Foreign and Security Affairs Chong Chong-ok, Senior Press Secretary Chu Ton-sik, Protocol Secretary Kim Sok-u and Unification Affairs Secretary Chong Se-hyon will be among the entourage.

In the third stage ending July 23, the government will complete its preparations including rehearsals of the summit.

Moreover, the government will prepare for President Kim's three-day stay in Pyongyang by having Prime Minister Yi Yong-tok act for the president during his absence, by putting the Armed Forces on enhanced alert in case of an emergency and by maintaining an emergency communication link with Kim in Pyongyang.

On Monday, President Kim hosted a luncheon at Chongwadae for leaders of former residents of five North Korean Provinces to solicit their opinions on the summit. Among those attending the luncheon were Kang Chae-mun, chairman of the Federation of the Five North Korean Provincial Associations; Gen. Paek Son-yop, ret., former Army chief of staff; Gen. O Cha-pok, ret., former defense minister; An Ung-mo, president of the Korea Freedom League; Son Chong-won, former National Assembly secretary-general; and Lt. Gen. Chang Chong-yol, ret., governor of North Pyongan Province.

At the luncheon, President Kim, noting the first inter-Korean summit in the half-century of national division would be an historic event opening a new future for the Korean people, requested the support of people from the five North Korean Provinces in establishing a new South-North relationship.

In addition Kim, considering that close cooperation with the United States and Japan is necessary for the summit's success, will strengthen the trilateral cooperation system through telephone conversations with President Bill Clinton and other diplomatic channels.

A Chongwadae official said President Kim would make securing North Korea's nuclear transparency the top item on the summit's agenda.

The importance of the summit lies in its historic and symbolic nature—the two sides' leaders sitting down face to face for the first time in five decades of national division—and Chongwadae will focus its preparatory work on this aspect, he added.

President Kim will have a big say in selecting the official entourage and the two or three aides to accompany him at the one-on-one meeting, he said.

Chongwadae will finalize the entourage list next week, checking and modifying the draft list prepared by the National Unification Board and other agencies according to the president's instructions, he added.

'Exclusion' of Ministers Viewed

SK0507024894 Seoul SEOUL SINMUN in Korean 5
Jul 94 p 1

[Article by Kim Yong-man]

[Text] President Kim Yong-sam said on 4 July that he will raise the reunion of families as the main issue at the North-South summit talks in Pyongyang.

In a luncheon meeting with representatives of ROK citizens from five provinces in the North, Kim said: "From a humanitarian standpoint, I will do my best to enable separated families to visit their home towns. Although the Pyongyang talks are unconditional, I will raise the issue as the main agenda."

President Kim also hinted that the assurance of North Korea's nuclear transparency and the family reunion will be priority agenda by saying: "I have pursued quadrilateral diplomacy with an aim to prevent a war at any cost and to secure the assurance of North Korea's nuclear transparency."

Meantime, the ROK Government has established a policy to simplify the significance of the North-South summit talks as building up mutual trust and assuring the nuclear transparency. Thus, the accompanying delegation will be organized according to this policy.

It was learned that officials of economic-related departments, and the Defense and Foreign Ministries are mostly likely to be excluded from the list of official and nonofficial suite members.

To make the summit working talks, it is also very probable that First Lady Mrs. Son Myong-sun will not accompany President Kim.

A high-ranking Chongwadae [presidential offices] official hinted on the exclusion of economic-related ministers, the defense minister, and the chairman of the Joint Chiefs of Staff by saying: "The inclusion of officials from economic-related departments and the Defense Ministry would shift the focus of the character of the talks."

The official also said: "German foreign ministers were not present at the East-West Germany summit talks, either. It is my understanding that the foreign minister and the chief protocol officer will not accompany the president."

President Kim Yong-sam on Tasks

SK0507060894 Seoul YONHAP in English 0557 GMT 5
Jul 94

[Text] Seoul, July 5 (YONHAP)—President Kim Yong-sam said Tuesday the most important task at the upcoming inter-Korean summit talks is building up mutual trust with Pyongyang to achieve peace on the Korean peninsula.

He made the remarks during a luncheon meeting at Chongwadae [presidential offices] with the steering committee members of the advisory council on democratic and peaceful unification including Kim Myong-yun, the council's senior vice president. President Kim said, "I will do my best to establish mutual trust for peace and unification."

He is scheduled to have summit talks in Pyongyang with his North Korean counterpart Kim Il-song from July 25-27. Talking about the summit, the president said, "I have made many comments on inter-Korean relations so far. I don't think it is desirable for me to talk about the agenda of the summit too much now, as you would think. "I remember that I took the presidential oath last year, in which I said I would protect the lives and property of the people as well as secure peace. Knowing the importance of this summit very well, the government is making the maximum preparations to ensure that the summit bears fruit."

Meanwhile, the committee members recommended that the agenda include securing the peace on the Korean peninsula, a declaration on the principle of democratic and peaceful unification, settlement of the issue of family members divided between South and North Korea, resumption of inter-Korean dialogue and implementation of the South-North basic agreement, the North Korean nuclear problem and economic cooperation.

Goals for First Summit Assessed

SK0507010794 Seoul THE KOREA TIMES in English
5 Jul 94 p 2

[By staff reporter Son Key-yong]

[Text] President Kim Yong-sam's short-term goal for the first inter-Korean summit is to secure his North Korean counterpart Kim Il-song's pledge on tangible steps to create a nuclear-free Korean peninsula. On the long-term basis, Kim will seek to establish a permanent dialogue channel in preparation for eventual unification of the divided country.

"Among others, the nuclear row would be the most pressing issue taken up during the summit talks," said a Foreign Ministry official.

Deputy Premier Yi Hong-ku, meanwhile, said in a speech to ministry officials that they must accomplish all their duties as "the country will be on the threshold of unification in the next few years."

As stipulated in the 1992 declaration for a nuclear-free Korean peninsula, Kim is expected to call for implementation of a package of measures to verify denuclearization of the peninsula through mutual inspections of nuclear facilities in accordance with methods to be determined by the South-North Joint Nuclear Control Commission (JNCC).

As special inspections of the North's two undeclared nuclear facilities will be discussed in the third round of high-level U.S.- North Korea talks, slated for Friday in Geneva, mutual inspection is an issue to be tackled in the inter-Korean summit.

Currently, the Foreign Ministry is busy setting agenda items for the summit including new proposals in connection with the North's nuclear transparency.

The ministry, along with Chongwadae [presidential offices] staffers, has also scrutinized detailed protocol and procedural matters.

"Even though the summit talks is between South and North Korea, the Foreign Ministry has much to do with its accumulated know-how in the protocol field," said a ministry official.

"We will try to minimize Kim's attendance at the North's propaganda events. But we cannot reject all such events in view of the nature of his visit to North Korea," the official added.

Meanwhile, the National Unification Board will do its part in setting up unification-related items to be discussed at the summit talks.

It will propose full implementation of the 1992 Agreement on Reconciliation, Non-aggression, and Exchanges and Cooperation between the South and the North, widely known as the "basic agreement."

The agreement, though substantial in content, has been virtually put on hold as South and North Korea clashed over the nuclear issue.

The South is expected to offer to operate all committees included in the agreement, such as a South-North Political Committee, a South-North Joint Military Committee and an Economic Exchanges and Cooperation Committee.

Summit Discussed at Interpellation

SK0407064694 Seoul YONHAP in English 0622 GMT 4 Jul 94

[Text] Seoul, July 4 (YONHAP)—The scheduled inter-Korean summit will deal with a wide range of issues which could be raised on the road to unification, including the dispute over Pyongyang's nuclear program and reunion of separated families, Prime Minister Yi Yong-tok said Monday.

Speaking to lawmakers at a National Assembly interpellation session, Yi also said the decision not to schedule the second round of summit talks outright and instead leave the issue for the summit leaders to decide in their first encounter was the brainchild of an effort to tackle things flexibly and lay the groundwork for the further meetings.

"In connection with this, the government is coming up with a variety of measures for a successful summit

meeting and a substantial outcome," said Yi, stressing the need to support the president regardless of party interests.

Asked about recent violent demonstrations by Hanchongnyon, a group of radical student activists, the prime minister said that "the government is conducting a thorough investigation into Hanchongnyon and those found involved (in Hanchongnyon) will be dealt with sternly in accordance with the law."

On the group's reported plan to send a delegate to Pyongyang, he said, "through thorough and continued investigations, the government will take legal action against such illegal activities as trying to dispatch delegates to the North without proper legal procedures."

Yi also told lawmakers that the government would reorganize and improve law enforcement to prevent any "impure" leftist forces from penetrating the country. 04 JUL 0710z dg

Lawmakers Make 'Intensive' Queries

SK0507072194 Seoul YONHAP in English 0448 GMT 5 Jul 94

[Text] Seoul, July 5 (YONHAP)—The National Assembly held an interpellation session Tuesday on unification, foreign and national security affairs in the presence of Prime Minister Yi Yong-tok and concerned cabinet ministers.

Ruling and opposition lawmakers made intensive queries into the possibility of realizing a second round of inter-Korean summit talks in Seoul, securing North Korea's nuclear transparency, the prospect of diplomatic ties between Washington and Pyongyang, and the government's plan to get the Uruguay Round (UR) accord ratified.

Both ruling and opposition party members asked about the government's intention to modify its nuclear policies, including reconsidering the inter-Korean denuclearization declaration in case North Korea's nuclear transparency is not secured.

Rep. Cho Sun-song of the opposition Democratic Party [DP], asserting that supra-partisan participation in preparing for the inter-Korean summit is necessary, wondered whether the government plans to include lawmakers in the Seoul-side delegation to the summit in Pyongyang.

Cho asked whether the government is willing to abolish Clause 3 of the declaration on denuclearization of the Korean peninsula, which prohibits uranium enriching and nuclear reprocessing facilities for peaceful use of atomic energy on the precondition that South and North Korea would not possess nuclear weapons.

Rep. Kim Yong-kwang of the ruling Democratic Liberal Party [DLP] inquired as to government measures in the event the summit is a one-off affair, securing the North's

nuclear transparency and realizing mutual nuclear inspections between South and North Korea. He also asked how the government would react to possible North Korean demands for a U.S.-North Korean peace accord during high-level talks between Washington and Pyongyang.

Kim insisted the United States "is opposing half of South Korea's exports of its military equipment to third countries despite the fact that Seoul has imported 90 percent of its total overseas weapons from the United States over the past five years, amounting to 5 trillion won."

He then asked if the government intended to drastically amend the Seoul-Washington memorandum on defense to allow for diversification of Korea's weapons sources.

Rep. Pak Sang-chun of the DP queried if the government plans to supplement the South-North basic agreement by adding clauses on special South-North relations, the installation of representative missions and the continuation of existing agreements.

He asked if South Korean atomic power plants are safe and strong enough to withstand a North Korean missile attack.

Rep. Min Tae-ku of the DLP insisted on the inevitability of changing the government's nuclear policies, including reconsideration of the denuclearization declaration for the Korean peninsula, if North Korea possesses one or two atomic weapons.

Although the ruling and opposition legislators agreed on the need for suprapartisan measures for the summit talks, they seemed to show real differences.

Ruling party lawmakers expressed concern about the social unrest created by leftist university student groups like Hanchongnyon [Korean Federation of General Student Councils], labor disputes and strikes, and the various forms of talks on national unification, pointing out that internal unity and resolve hold the key to a successful inter-Korean summit.

The opposition DP, on the other hand, insists that the summit does not involve only the government in power, but all Korean people, demanding that lawmakers be included to the Korean delegation to the summit conference.

1972 Basic Agreement Stressed

SK0507074594 Seoul YONHAP in English 0729 GMT 5 Jul 94

[Text] Seoul, July 5 (YONHAP)—Prime Minister Yi Yong-tok said Tuesday the South-North basic agreement signed in 1972 is "one of the valuable documents agreed between South and North Korea and its implementation may become the major item of discussion at the upcoming inter-Korean summit."

Yi stressed that the summit was determined by the "independent judgement of the government," saying the talks proposed by North Korea through former U.S. President Jimmy Carter were accepted "through the courageous decision of President Kim Yong-sam."

The premier made the points at a National Assembly interpellation session on the unification, foreign and national security fields.

As to parliamentary ratification of the World Trade Organization (WTO), Yi asserted that early endorsement of the motion for WTO admission is desirable "since the United States and advanced countries in Europe are pushing for ratification by the end of this year."

Referring to the North Korean nuclear issue, Yi emphasized the government's basic position of confirming the transparency of all its nuclear activities including those in the past. "Washington shares the same position," he added.

With regard to the joint declaration on denuclearization of the Korean peninsula, the premier described it as "a very important element in the process of securing North Korea's nuclear transparency and maintaining peace and stability on the Korean peninsula."

Yi made it clear the government has no intention of reconsidering the denuclearization declaration. "At the present stage, we have to urge North Korea to fulfill the declaration to bring a complete settlement to the North Korean nuclear row."

"If North Korea possesses nuclear weapons, we will exert all efforts to cope with it by mobilizing an international cooperation system to attain North Korea's abandonment of the weapons," he asserted.

Asked about a revamping of the government's diplomatic and national security line-ups, Yi said no plans for such action exist ahead of the inter-Korean summit and high-level talks between the United States and North Korea.

On the possibility of North Korean President Kim Il-song coming to Seoul for a second round of summit talks, Unification Minister Yi Hong-ku said that because the Pyongyang meeting is due entirely to President Kim Yong-sam's resolve, the North's leader should make a corresponding decision.

Asked about the row over Pyongyang's nuclear program, Yi said, "the government will continue pushing for discretionary and normal international inspections of (North Korea's) nuclear facilities and special inspections of the two undeclared nuclear sites (at Yongbyon), as well as mutual nuclear inspections between South and North Korea."

Saying that the North has extracted enough plutonium to make nuclear arms, Yi said the government estimates it now has about 12 kilograms of weapons-grade plutonium. But he added there is no evidence supporting the

theory that the communist country has completed a nuclear arms development project.

Foreign Minister Han Sung-chu said the United States would address the history of North Korea's nuclear development program during talks in Geneva late this week. "The international community, including the United States, must resolve the issue related to the past of the nuclear development program, as it is imperative for the maintenance of the Nuclear Non-Proliferation Treaty regime," Han stressed.

Turning to ratification of the World Trade Organization (WTO) Treaty, the foreign minister, noting that 23 nations including Greece, Morocco and Sri Lanka had approved the accord as of July 2, said the United States, Japan and the European Union would approve it by year's end.

Asked about arms control, Defense Minister Yi Pyong-tae said the government is studying a three-phase weapons reduction plan: Reducing the danger of armed conflict by building up mutual trust between South and North Korea in the first stage, limiting the surprise attack capability in the second stage and, finally, a gradual arms reduction performed equally by both sides to a level considered appropriate to a unified Korea.

As the nuclear issue has not yet been resolved, the armed forces are continuing to get fully ready to cope with any emergencies, he stressed.

On relocation of the U.S. Forces' Yongsan base, Yi said the government would handle the issue in view of the changing security situation on and around the Korean peninsula, a possible change in the role of American forces in Korea and other matters related to national security.

South Preparing Joint Statement

SK0507114294 Seoul CHUNGANG ILBO in Korean 5 Jul 94 p 1

[Text] The government has plans to announce a joint statement for peace on the Korean peninsula in the spirit of peaceful coexistence or peaceful reunification at the conclusion of the talks between President Kim Yong-sam and North Korean President Kim Il-sung.

It has been learned that the joint statement the government is presently preparing will include features on the prevention of the recurrence of war and the establishment of a peace system [pyonghwa chedo] on the Korean peninsula based on the existing North-South basic agreement and the joint denuclearization declaration.

A high-level government official concerned said on 5 July that "the government is now preparing a joint statement that will be acceptable to North Korea on the occasion of the 25 July Pyongyang summit talks."

He pointed out that "as a rule confirmation of the text of statements or declarations is completed at least one

month before summit talks are held," adding: "due to the lack of consultative channels between the North and South, including communications, there are difficulties in confirming the text of various announcements [palpyomun], as well as the form and contents of the joint statement."

Regarding the form of the announcement, the government prefers "joint statement" to "joint declaration," but its position is that it will adopt the joint declaration depending on the outcome of the summit talks.

It has been learned that the government plans to include the spirit of preventing the recurrence of war and of attaining peace on the Korean peninsula in the joint declaration in order to implement the North-South basic agreement and the joint denuclearization declaration. Another government source said that it seems North Korea is also preparing for a joint statement [kongdong palpyomun].

A high-level government official said that "it is likely that the first advance team—which will be sent to Pyongyang by the government on 13 July—will present the text of our statement to North Korea and negotiate with North Korean officials regarding its adoption." It is highly likely that in this case, a high-level government official will lead the advance team to North Korea.

Results of 2 Jul Working-Level Contact Reported

Accord 'in Principle' on Security

SK0207045094 Seoul KBS-1 Radio Network in Korean 0400 GMT 2 Jul 94

[Text] Today the North and South reached an agreement on the concrete working procedures for the North-South summit talks. In the delegates' contact to discuss the working procedures for the North-South summit talks which continued today, North and South Korea have agreed in principle upon the issues which have been the points of discussions between the two sides, such as sending an advance team and televising the summit talks in Pyongyang live.

Accordingly, the two sides are expected to sign an agreement this afternoon as soon as the text of the agreement is arranged.

In today's contact, our side has conveyed its previous position that it will send an advance team twice to prepare for security and protocol procedures, and that the first advance team must be dispatched around 5 July.

Regarding this, the North side proposed a compromise plan [cholchungan] that accepts some of our side's demands. Therefore, the two sides have reportedly agreed in principle upon the dispatch of the advance team.

Regarding live coverage of the summit talks, it has been learned that the two sides have agreed in principle that the North side accepts the South side's demand for live

coverage, that it will provide broadcast facilities to the South side, and that the South side minimize the number of persons needed for live coverage.

The two sides will continue the meeting after finishing the text of the agreement. The heads of the two sides will sign the agreement and announce it. North and South Korea are expected to continue their working-level discussion according to each field when the final agreement is reached regarding the procedures for the summit talks.

Statement Made on Agreements

SK0207094894 Seoul KBS-1 Television Network in Korean 0810 GMT 2 Jul 94

[Statement by Pyon Kyong-sop, spokesman for the Secretariat of the North-South talks, on the results of the second round of delegates' contact to prepare for North-South summit, from Seoul's Secretariat of North-South talks office—live]

[Text] 1. The North and South agreed that the South side's delegation shall be composed of 100 delegates and 80 reporters.

2. The type of talks shall be private talks [tandok hoedam]. The talks will be attended by two or three assistants and one notetaker from each side.

3. Itinerary: The delegation will stay two nights and three days, however, the stay may be extended if necessary.

4. Contact of working-level officials and dispatch of advance team: The two sides agreed to hold a working contact to be attended by 17 people from each side in Pyongyang from 13 to 16 July for three nights and four days, to discuss the concrete itinerary and the details of working-level procedural matters.

The South side will dispatch a 25-member advance team to the North side three days before the delegation's departure.

5. The procedure for the trips: The two sides agreed that the South side will inform the North side of the list of its delegates seven days before the delegation's departure.

6. Accommodations: The North side will offer the necessary accommodations including lodging, food, transportation means, communications, medical services, and other facilities.

The South's delegation has been assured that it will be able to send a mailbag twice a day for the duration of its stay in the North.

7. Personal safety: The North side will send to the South side a memorandum, in the name of the premier, ensuring the personal safety of the members of the South side's delegation three days before the delegation's departure.

8. Badges and identification cards of entourage members and reporters: Each side shall prepare badges for its entourage members at its own convene. Reporters shall wear reporters' armbands.

9. Signboards and furnishings of the place where the talks will take place: No signboards shall be installed at the location where the talks will take place and at the locales where the ceremonies will take place, including lodging quarters.

10. Recording of the talks: Each side shall record the talks at its own convene, such as stenography, audio recording, and videotaping.

11. Reporting of the talks: The North side shall ensure, on a top priority basis, that the South side have the necessary facilities and personnel so that live television coverage can be possible. At the same time, the North side shall afford conveniences for the transmission routes and satellite relay for the purpose of transmitting television images.

12. Reporters' news coverage activities: The North side shall guarantee the activities of news coverage by the South side's reporters during their stay. The two sides shall ensure the correctness and fairness of the news reporting.

13. Other questions concerning working-level procedures: The delegation from the South side shall use the direct telephone line between Seoul and Pyongyang, which has already been installed, during their stay in the North side. Other questions arising in working-level procedures shall be in accord with the practices of the South-North high-level talks.

14. Effectuation of the Agreement: This agreement shall take effect on the day when the two sides sign it and exchange copies.

I have so far mentioned the result of the second contact of delegates for the consultation of the working-level procedures of the summit talks. Final touches are being given to the contents of the document, to which the two sides will agree, and will be signed at around 1730 today [0830 GMT]. That is all.

Delegate to Contact Interviewed

SK0307025794 Seoul SEOUL SINMUN in Korean 3 Jul 94 p 4

[Report by Kim Kyun-mi on a news conference by Yun Yo-chun, special assistant to the prime minister and South side's delegate to the working-level contact for the North-South summit talks, on 2 July at the Peace House in Panmunjom]

[Text] [Question] What was the most difficult part in today's contact?

[Answer] Today, both sides reached an agreement on working-level procedures which consisted of 14 paragraphs. There were difficult times during today's contact such as adjourning the contact on two occasions, but it was possible to reach an agreement due to both side's attitude of making compromises.

The most difficult part was reaching an agreement on the scope, time, and length of stay regarding the dispatch of an advance team and on the live coverage of the summit talks. Nevertheless, we reached a complete agreement on all matters.

[Question] What is the estimated schedule of preparations for important matters?

[Answer] There will be a working-level contact regarding communication matters on 7 July at 1000 at the Peace House in Panmunjom. Three working-level delegates in the communication field from each side will meet.

A working-level contact regarding security matters will be held on 8 July at 1000 at the North side's Tongilgak, and on 9 July we will notify the North side of the names of the 17 people for the working-level contact.

The rest is as indicated in the agreement.

[Question] How many times will the private summit meeting [tandok chongsang hoedam] be held? Also, what are the ranks of the people who will attend the private summit meeting and how many will there be?

[Answer] The number of private summit meetings will be decided upon later. The North side said that it will send an itinerary before our side's working-level delegation leaves for Pyongyang on 13 July. The working-level delegation will discuss with the North side on the number of private summit meetings based on the North side's itinerary. It was compromised that two to three people will attend the private summit meeting, but its concrete discussion on whether it will be attended by cabinet-level officials was not held.

[Question] What is the overall assessment of today's contact? Which side's proposals were accepted more?

[Answer] I believe that all in all both sides reached an agreement without much difficulty. First, we reached an agreement on the matters that we roughly agreed upon at the first contact, and then we discussed the issues of dispute such as the issues of dispatching the advance team and the live telecast of the summit talks. There was some difficulty in reaching an agreement regarding these matters because the two sides were in tight disagreement.

It is difficult to say how much of our side's proposals were reflected, but it was possible to reach an agreement due to the North side's sincere and earnest attitude.

In a nutshell, it was a contact in which both sides understood each other and made concessions.

Foreigners Excluded From Press Corps

SK0407072394 Seoul YONHAP in English 0717 GMT 4 Jul 94

[Text] Seoul, July 4 (YONHAP)—The government will not include foreign correspondents in the 80-member press corps accompanying President Kim Yong-sam to Pyongyang for the July 25-27 summit, the Information Ministry said Monday. The decision was made at North Korea's request, an official explained.

During the recent two working-level meetings on summit procedure, the South asked the North to include foreign media members in the press corps but the North was opposed, saying that since the summit is an internal event there is no need to involve foreign correspondents, he added. But in view of the past South-North premiers' meetings, Pyongyang is likely to permit foreign media to cover the summit if they request entry visas through Beijing and Tokyo, he said.

U.S. Secretary of State 28 Jul Visit Announced

SK0507084094 Seoul YONHAP in English 0836 GMT 5 Jul 94

[Text] Seoul, July 5 (YONHAP)—U.S. Secretary of State Warren Christopher is due in Seoul July 28 to discuss results of inter-Korean summit, officials here said Tuesday.

Christopher is expected to fly into Seoul from Bangkok where he attends the post-ministerial conference of annual Association of Southeast Asian Nations (ASEAN) meeting, the officials said.

He will be briefed on the outcome of the South-North Korean summit July 25-27 from Foreign Minister Han Sung-chu.

He is to explain the progress in high-level talks with North Korea to South Korean officials and seek joint measures in dealing with Pyongyang's nuclear situation.

U.S., Japanese Positions on Nuclear Issue Noted

SK0507131494 Seoul HANGYORE SINMUN in Korean 5 Jul 94 p 3

[Article by Pak Chong-mun]

[Text] The ROK, the United States, and Japan reached agreement on most of the issues during the tripartite discussion in Washington last weekend. There were also different opinions on some issues.

The ROK and Japan reportedly agreed in general with the U.S. suggestion of focusing efforts on preventing North Korea from reprocessing the fuel rods. The ROK and Japan had different views on the degree of the verification of North Korea's past nuclear activities that should be required. Japan's opinion was that the United States should demand the acceptance of special inspections [tukpyol sachal].

It was learned that the U.S. position is to speed the expansion of improvement of North Korean-U.S. relations step-by-step under the prerequisite of North Korea's freezing its nuclear weapons development, while the ROK and Japanese position is to slow down the improvement of relations and check North Korea's implementation of freezing the nuclear programs in every phase.

The tripartite discussion can be appraised as a meeting for the United States to give a comprehensive explanation of its position and ask for the allies' understanding, and for the ROK and Japan to express their concern over the possibility of a honeymoon between North Korea and the United States taking advantage of the dialogue atmosphere.

As revealed through the tripartite discussion, the U.S. idea is not much different from the previous line that its relations with North Korea will be improved in a "phased and gradual manner." The U.S. strategy is to provide corresponding consideration each time North Korea implements its promises, for instance, to completely return to the Nuclear Nonproliferation Treaty [NPT] and freeze its nuclear programs.

This strategy may become an obstacle to the Geneva talks because it is still far from the "package solution" insisted upon by North Korea. The United States has prepared three strategies for the third round of talks with North Korea in Geneva. First, to prevent North Korea from reprocessing the already-removed fuel rods and refueling the five-megawatt reactor; second, to return North Korea to the NPT and provide a basis for the verification of past nuclear activities through special inspections of the two undeclared facilities; third, to take appropriate measures on North Korea's request for supporting the construction of light-water reactors and improving relations.

The most urgent goal of the U.S. policy is to prevent the reprocessing of the fuel rods. North Korea's promise to freeze its nuclear programs can only be proven when it guarantees not to reprocess the fuel rods and carries through on that promise. Without this, the United States believes there is no justification for improving relations. In other words, the prevention of fuel rods reprocessing is a fundamental condition of future North Korea-U.S. talks.

The United States has to urgently solve the reprocessing problem because North Korea is asserting that the fuel rods removed from the five-megawatt reactor in Yongbyon can only be stored in the cooling pond for two or three more months and they must be reprocessed soon.

The United States has a few options for the reprocessing of the fuel rods. The most desirable one is to permanently dispose of them inside thick underground concrete walls.

If North Korea rejects this, the next option is that the United States provides the dry-storage technology,

which is only possessed by the United States. Dry-storage entails drying the fuel rods currently in the cooling pond and storing them after downgrading their radiation level. This option is noteworthy because it involves technological and manpower support from the United States. Another option is to send the fuel rods to Russia or China for reprocessing and store them under surveillance by the International Atomic Energy Agency.

The reprocessing issue alone is so complicated that some people believe that it will be difficult to gain any tangible result from the Geneva talks.

The return to the NPT and the light-water reactor construction issues are not simple either. On top of these problems, the United States is planning to raise the issue of the manufacture and export of North Korean missiles as a condition of improved relations. Judging from this, the Geneva talks would require at least weeks of negotiations to achieve any results.

'Nuclear' Ambassador Plans To Go to Geneva

SK0407022894 Seoul YONHAP in English 0223 GMT 4 Jul 94

[Text] Seoul, July 4 (YONHAP)—Seoul plans to dispatch nuclear ambassador Kim Sam-hun to Geneva, where the third round of North Korea-U.S. high-level talks opens later this week, for on-site consultations with the American side, Foreign Ministry officials said Monday.

Kim had just returned from Washington on a trip to coordinate the South Korean and U.S. positions before the July 8 Geneva meeting.

One official said the government wants to have Amb. Kim consult with Assistant Secretary of State Robert Gallucci, chief U.S. representative at the Geneva meeting, on any progress made at the talks and communicate with the Seoul Government to receive and relay instructions.

The ambassador will engage in prior discussions with Gallucci on improving North Korea-U.S. relations and assistance in replacing North Korea's reactors with a safer light-water system, he said.

DPRK Switch to Light-Water Reactor Supported

SK0507022294 Seoul THE KOREA TIMES in English 5 Jul 94 p 1

[By staff reporter Han Tong-su]

[Text] Prime Minister Yi Yong-tok yesterday told the National Assembly that the government will support the plan to switch North Korea's plutonium-yielding graphite-type nuclear reactor to the light water type if Pyongyang guarantees complete nuclear transparency.

In answer to lawmakers' questions at an Assembly interpellation session, Yi said the government views the plan "positively" and will discuss ways to help in concert with international community.

Lawmakers' questions were focused on the upcoming inter-Korean summit in Pyongyang and on issues to be dealt with in the meeting.

Ruling and opposition party lawmakers asked Premier Yi and Deputy Premier-Unification Minister Yi Hong-ku whether the government has any fresh proposals that can induce North Korea's nuclear transparency and other breakthroughs in the July 25-27 summit.

Lawmakers also said that there should be positive developments leading to the reunion of separated families and inter-Korean economic cooperation in the summit.

Opposition lawmakers, in particular, demanded the government replace the stern National Security Law with a moderate statute designed to "protect the democratic order" to expedite the South-North rapprochement.

Oppositionists also demanded that the government set up a pan-national consultative body to advise the government on inter-Korean dialogue and unification issues.

They demanded a wholesale replacement of security- and diplomacy-related Cabinet ministers, holding them responsible for the past disarray in policies.

Prime Minister Yi said, "The inter-Korean summit will deal with the current nuclear dispute, separated families and issues that may arise in the course of reunification of the two Koreas."

Yi said that the government was flexible on the designation of the venue for the second summit. "We will let the two heads of states decide on the venue for the second summit in their first get-together," Yi said.

Answering Rep. Yu Chun-sang's question on the government position on the Nation Security Law, Yi said, "The government will positively consider revising the law once inter-Korean tension is eased and North Korea gives up its age-old scheme to communize the South."

The premier made it clear the government is against the North Korean-proposed tripartite talks between the South, the North and the United States, saying, "Inter-Korean problems should be resolved by the parties directly involved."

In response to lawmakers' claim that the government was overreacting to students and workers protest moves, Premier Yi said that the government will not condone any subversive activities by Hanchongnyon, a radical student group, and violent labor movements that jeopardize the nation's economic rupture.

Papers Analyze North-South Economic Cooperation

SK0507115994

[Editorial Report] The following is a compilation of editorials published in ROK vernacular dailies on 5 July on the South-North summit talks slated for 25 July in Pyongyang.

The conservative CHOSON ILBO carries on page 3 a 800-word editorial stressing the need to prudently choose delegates who will accompany President Kim Yong-sam to the South-North summit in Pyongyang. The editorial notes that, as agenda items of the summit talks have not yet decided, those who are able to "efficiently lead the talks" must be chosen as attendants to the president. Stressing that President Kim "should find a broad range of experts," instead of giving priority to those who are close to him, the editorial advises him to "use those who have handled South-North relations" and "to listen to opinions of people who were in charge of South-North high-level talks or have direct experience with Pyongyang."

The moderate HANGUK ILBO carries on page 3 a 800-word editorial warning against our hasty expectations of South-North economic cooperation. The editorial stresses that "political and military relations between South and North Korea should be normalized before South-North economic cooperation." Opposing current South-North economic cooperation without any official treaty between South and North Korea, which may be suspended at any time according to either side's political circumstances, the editorial emphasizes that "South-North economic cooperation cannot be smoothly promoted unless North Korea decides on its basic position on South-North exchange."

The moderate KYONGHYANG SINMUN carries on page 3 a 800-word editorial detailing the reason why South-North economic cooperation is impossible at present. While stressing the significance of South-North economic cooperation "in reunifying the country by establishing an economic community," the editorial points out the "political limit South Korean enterprises have often faced when promoting their economic cooperation projects with North Korea." For successful South-North economic cooperation, the editorial notes that North Korea should "correctly change its policy toward South Korea." Noting that "South-North relations cannot be truly improved unless both sides recognize each other's system," the editorial criticizes North Korea's approach to South Korean enterprises: "It is North Korea's unrealistic tactic to not only justify itself, but also to obtain actual profits, by sending, as the main body of the revolution, an invitation letter to each South Korean enterprise, without recognizing the South Korean Government, and inciting them to compete with one another." The editorial stresses that "South-North economic cooperation can be smoothly promoted only when tensions on the Korean peninsula caused by the North Korean nuclear issue are actually eased." The

editorial notes "North Korea's firm will to open itself up and its arrangement of related laws and regulations are necessary" for changing indirect trade between South and North Korea and for large-scale investments in North Korea by South Korean enterprises.

Shipping Company Resumes Direct Routes to North

SK0507081594 Seoul MAEIL KYONGJE SINMUN in Korean 5 Jul 94 p 30

[Report by Choe Ki-yong]

[Text] Direct sea routes between South and North Korea, which were suspended due to the North Korean nuclear issue, have been revived by the North-South summit talks.

On 4 July the Maritime and Port Administration and related industries announced that the National Unification Board and the Maritime and Port Administration recently approved an application from Samson Shipping Company to begin operations between South and North Korea using the Chongjin-Inchon and Nampo-Inchon routes.

Samson Shipping plans to set sail from Chongjin port the 5,000-tonne Philippine-flagged cargo ship (Diamond Deer) loaded with 5,400 tonnes of imported steel coils and 300 tonnes of pollack with an estimated arrival date at Inchon port of 8 July.

On 9 July, the 800-tonne Honduras-flagged Concord will depart Nampo for arrival at Inchon port on 10 July with 715 tonnes of cargo, including zinc.

Cargo transported by Samson Shipping through the direct North-South routes are consigned to Samsung Company (steel coils), Sangwon International Corporation (pollack), International Forwarder (towels), and Kumpung Sinhwa (2 million tonnes of walnuts).

In the beginning of this year shipping companies owned by Korean residents in China and ROK shipping companies actively worked on opening the direct routes between South and North Korea but had to suspend action in June due to the North Korean nuclear issue.

'Expectations' for Kim Il-song's Apology Viewed

SK0307102894 Seoul KYONGHYANG SINMUN in Korean 3 Jul 94 p 4

[Article by Kim Chung-il: "Will President Kim Il-song Make an Apology?"]

[Text] President Kim Yong-sam's mother, Mrs. Pak Kung-yon, was killed in her house by a local spy on 25 September 1960 at President Kim's birth place in Oepori, Changmong Myon, Kojedo. Will North Korean President Kim Il-song apologize to President Kim Yong-sam for this incident during their three-day meeting in Pyongyang beginning on 25 July?

President Kim Yong-sam's family and close associates will watch his visit to Pyongyang with mixed feelings. Since the possibility of President Kim's visit to Pyongyang, which had been considered impossible in the past, has become a reality, their old sores for the incident involving Mrs. Pak, murdered by a local spy armed with a pistol in 1960, are painfully coming back.

President Kim's close associates revealed that although some 30 years have passed since the incident, President Kim's love for and tender memories of his mother are still alive and fresh. Thus, they ask: How can President Kim Yong-sam pass by without a sentimental recollection of his mother during the Pyongyang meeting with President Kim Il-song, who is the person ultimately responsible for his mother's assassination? They added that "although the president himself is keeping silent on this incident, his attitude toward upcoming talks is even pious, going beyond sincere."

President Kim Yong-sam's close associates also said: We are not sure whether or not President Kim Il-song personally handed down a directive to murder Mrs. Pak at the time. However, it is true that the murderer was an agent working for the North Korean regime who acted according to the North Korean directive. If President Kim Il-song mentions the incident, pains of not only President Kim Yong-sam himself but also of many bereaved families of those who were victimized by the North Korean regime would be reduced, even to a slight degree.

Through Yi Hu-rak, then director of the ROK Central Intelligence Agency, who visited Pyongyang secretly in 1972 as a special envoy of then President Pak Chong-hui, President Kim Il-song conveyed his intention of apology to President Pak Chong-hui for the incident of the surprise raid of Chongwadae [presidential offices] on 21 January 1968 by the 124th Unit of the North Korean Army, to which Kim Sin-cho [who was captured alive at the time and now lives in Seoul as a convert] belonged. This is the reason behind the expectations of President Kim's family and close associates for an apology by President Kim Il-song, even to a slight degree.

Whether President Kim Il-song's apology was made from his true heart or not at the time, it was generally accepted by the people as the will to advance North-South relations smoothly.

Moreover, this time President Kim Il-song is to meet directly with the victim, not with a representative. Therefore, motivated by the intention to either favorably implant his image in President Kim Yong-sam's heart or to make the impression as being a peace-lover, President Kim Il-song may possibly touch on Mrs. Pak's incident.

In the event that President Kim Il-song mentions the late Mrs. Pak during the meeting with President Kim Yong-sam, and that President Kim Yong-sam confirms the former's sincerity as genuine, Mrs. Pak's incident may work as a special occasion for the two leaders to confirm their mutual trust.

Fishing Boat Disappears Near DPRK Waters*SK0407012394 Seoul KBS-1 Radio Network in Korean
0100 GMT 4 Jul 94*

[Text] The National Fisheries Administration announced that an unidentified ROK fishing boat that was catching fish in the waters southwest of Yonpyong Island apparently crossed into the North. The administration also said that this boat crossed into the North because of the dense mist, adding that it was trying to find out what had happened to the boat.

The ROK Government plans to ask North Korea to repatriate the ship on a humanitarian basis, if it has the boat in its custody.

Joint N-S Team Considered for 1996 Olympics*SK0507053994 Seoul HANGYORE SINMUN in Korean
5 Jul 94 p 2*

[By reporter Yi Yong-il]

[Text] The government is positively considering plans to include in the upcoming North-South summit talks as agenda item issues such as holding jointly the 2002 World Cup with North Korea and forming a North-South single team for the 1996 Atlanta Olympics.

On 4 July, the Ministry of Culture and Sports decided to formulate soon the detailed plans to ask Chongwadae [presidential offices] to include them in the agenda items during the summit talks, considering them desirable in promoting harmony between the North and South.

In particular, the ministry believes that because the government is now fiercely competing with Japan and Saudi Arabia to win the bid to host the World Cup games, the plan of jointly holding the games by the North and South would help win the bid.

A relevant Cultural and Sports Ministry official said that "in promoting exchange between the North and South, it is very important to form the single North-South team, as well as to jointly hold the sports games," and added: Accordingly, the government has already formulated plans to jointly hold the World Cup with North Korea in preparation for the day the North and South resume their talks and, thus, is waiting for a reply from North Korea regarding this. He also said that "if the issues are adopted as agenda items during the North-South summit talks, it is highly possible that both the North and South would try to jointly hold the World Cup and to form their single sports team for the 1996 Olympics."

In 1990, the North and South held soccer games called "The Reunification Soccer Games" in each other's capitals, Seoul and Pyongyang. Also, they once formed a single soccer team to participate in the World Youth Soccer Game held in Portugal in 1991.

Kim Il-song Names Brother To Head Program*SK0507003894 Seoul HITEL Database in Korean 4
July 94*

[From Seoul MAEIL KYONGJE SINMUN in Korean 4 July 94]

[Text] In connection with the Tumen River development program, it was learned on 4 July that North Korean President Kim Il-song recently appointed his brother Kim Yong-chu, who is now the vice president, to head the development program in the special economic zones of Najin and Sonbong.

A relevant official at the United Nations Development Program [UNDP] based in Seoul on 4 July said: "North Korea notified the UNDP of the appointment of Vice President Kim Yong-chu as the head of the Tumen River development program and informed its intention to participate in the fourth meeting of the Tumen River Development Program Planning and Management Committee to be held in Moscow on 11-15 July."

A high-level government official also confirmed that: "It was learned recently that President Kim Il-song reprimanded Kim Chong-cha, chairman of the Committee for the Promotion of External Economic Cooperation, for the sluggish progress in the development of the special economic zones of Najin and Sonbong and instructed Vice President Kim Yong-chu to head the work," and added that "President Kim also ordered that the work on developing special economic zones be carried out as a pan-national work."

Legislators Begin Implementing Assembly Changes*SK0507043194 Seoul THE KOREA TIMES in English
5 Jul 94 p 2*

[From the "Press Pocket" column]

[Text] The newly-revised National Assembly Law is bringing about fresh changes. The first change was detected in the legislators' interpellation yesterday.

Under the reformative Assembly law, the time given to lawmakers for interpellation is shortened by half to 15 minutes.

Accordingly, lawmakers have to get to the point without resorting to political rhetoric.

In the past, opposition lawmakers usually began their questioning with an overall analysis of the country's situation. Such political terms as "geopolitical viewpoint," "reform," "democracy," and "human rights" were the main elements of their questioning.

Now, however, they have no time to make such "long-winded" talks. As soon as they take the podium, lawmakers have to get straight to the issues they want to ask about.

Rep. Kwon Hae-ok from the ruling Democratic Liberal Party began his questioning after a short analysis of the current political situation.

Rep. Yu Chun-sang of the opposition Democratic Party [DP] grilled relevant Cabinet ministers over "the government's mistakes in its labor, diplomatic policies" without introductory remarks. But he gave a short introduction of himself.

DP lawmakers tried to avoid asking similar questions already asked. Yu put his emphasis on the upcoming inter-Korean summit. Rep. Kim Chung-cho devoted much of his questions to the North Korean nuclear issue and Rep. Kim Chong-wan to the reform program of the Kim Yong-sam administration.

NSP Announces Arrest of Espionage Suspects

*SK0207150594 Seoul KBS-1 Radio Network in Korean
1405 GMT 2 Jul 94*

[Text] The Agency for National Security Planning [NSP] today announced that having investigated the National Salvation Vanguard [kuguk chonwi], a clandestine South Korean party of the North Korea Workers Party, it arrested 23 people, including An Chae-ku, under suspicion of espionage activities, and remanded them to the prosecution office.

Meanwhile, with the advance arrest warrant issued against eight key figures—including Yi Kwang-chol, responsible figure of this organization's Kwangju District, who infiltrated into labor areas—the NSP is looking for them for investigation.

The NSP revealed that the National Salvation Vanguard is a spy organization, which was organized in January of last year by An Chae-ku, who was released after serving prison time for many years, by calling together leftist criminals who were released from prison and sympathizers from the student movement sphere. An Chae-ku had received earlier a directive from Paek Yong-min, a North Korean agent active in Japan, to organize a clandestine party for the revolution and reunification. With operational funds amounting to 200 million won he received from Paek Yong-min, An Chae-ku carried out clandestine espionage activities, including the reporting to North Korea over 11 times on the moves and activities of domestic political circles, the activities at campuses and in the dissident movement sphere.

In particular, the NSP announced that it uncovered that Pak Nae-kwon, who was arrested for being in charge of the National Salvation Vanguard's Seoul and Kyonggi Province districts, has infiltrated its subordinate agents to the Seoul Subway Corporation and the National Railroad Administration. Thus, the NSP is continuing the investigation.

Burma**DAB Rebel Group Elects New Vice Chairman**

BK0307093194 Bangkok THE SUNDAY POST in English 3 Jul 94 p 2

[Text] The Democratic Alliance of Burma [DAB] Central Executive Committee recently elected Nai Shwe Kyin as first vice-chairman of the group. Nai Shwe Kyin replaces KIO [Kachin Independence Organization] president Brang Seng, whose group has entered a ceasefire agreement with Burma's State Law and Order Restoration Council. Nai Shwe Kyin is president of the New Mon State Party and a former second vice-chairman of the DAB.

The Mon are among three ethnic minority groups, including the Karen and the Karenni, who are still holding out against the State Law and Order Restoration Council's efforts to hold talks on the latter's terms. The meeting named Tin Maung Win former general-secretary of the DAB, to the position of second vice-chairman. He replaces Ye Kyaw Thu who resigned from the group as third vice-chairman for health reasons. His position will be filled at the next DAB Central Committee Conference scheduled for before the end of the year.

Another decision taken at the Special DAS Central Executive Committee meeting in Manerplaw on June 27-28 was to name U Thant Zin of the People's Patriotic Party as assistant secretary of the Finance Committee and a member of CEC.

In another development, the two factions of the All Burma Students Democratic Front [ABSDF] met face-to-face to settle their differences. ABSDF Chairman Dr Naing Aung and breakaway leader Moe Thee Zun agreed to get back together at the end of next month after thrashing out their differences at the Manerplaw meeting.

The DAB has earmarked several positions, including the joint-general secretary position and assistant secretary for military affairs committee, for the ABSDF after the reunification.

Commentary Views SLORC's Talks With Mon Rebels

BK0207131894 London BBC in Burmese to Burma 1345 GMT 1 Jul 94

[Larry Jagan commentary]

[Text] Representatives of the Burmese Government and the Mon rebels are currently holding talks in Moulmein. This meeting, the third since last December, has generated conflicting views among Mon nationals, who are skeptical about the forced repatriation of Mon refugees if any cease-fire agreement is reached. BBC Asia-Pacific regional journalist Larry Jagan filed this report:

There has been discord in the New Mon State Party since cease-fire talks were held between representatives of the rebels and the SLORC [State Law and Order Restoration Council] government. One group contends that there is no reason to continue the talks since the SLORC government has complied with almost nothing. But, it seems that some major Mon leaders believe the situation is still conducive for continued talks. Burmese opposition sources claim the third meeting was delayed because of disagreement among the Mon nationals. This third meeting was expected to begin some weeks ago.

Mon sources report there are mounting fears the Mon rebels are trying to reach an early agreement by replacing two of their five-member delegation at the present meeting. Observers believe the SLORC hopes to sign a cease-fire agreement with the Mon rebels before the midyear ASEAN ministerial meeting, which will be held in Bangkok in the next three weeks. ASEAN has invited the SLORC to attend the ministerial meeting as a guest despite international pressure.

Burmese opposition sources claim the Thai Government is pressuring the Mon and other armed national groups to sign cease-fire agreements with the SLORC. The Thai Government will be glad if a cease-fire agreement can be reached with the Mons, for then only will it be able to show justification for its policy of improved relations with SLORC. However, relief workers are very worried about the future of Burmese refugees in Thailand. Thai officials have warned Mon refugees that they will be repatriated once SLORC and the Mon rebel group sign a cease-fire agreement. At present there are about 70,000 Mon refugees in Thailand. There are also thousands of Mon men who have fled to Thailand in recent months to escape SLORC's forced labor contribution program for the construction of the new Ye-Tavoy railroad.

The NDF, National Democratic Front, which comprises the majority of armed national groups, has requested that the international community monitor the Mon refugee situation claiming the Thai Government's threat to send them back. The NDF, in a statement issued earlier this week, has alleged that the Thai Government pressured the Mon group to hold peace talks with SLORC. Thai Government officials have denied pressuring the Mons and there has been no forced repatriation of any refugees. But, the majority of the leaders of national races and relief workers maintain they are a long way off from believing in any Thai Government guarantee.

Brunei, Malaysia & Singapore**Malaysia****Foreign Minister Comments on Prince Chakkrapong**

BK0407065994 Kuala Lumpur BERNAMA in English 0559 GMT 4 Jul 94

[Text] Kuala Lumpur, July 4 (OANA/BERNAMA)—Prince Norodom Chakkrapong, a son of Cambodia's

King Norodom Sihanouk, who left Cambodia after government troops thwarted a coup d'etat, is in Kuala Lumpur, Foreign Minister Abdullah Ahmad Badawi said Monday. He has been allowed to stay here temporarily until his next course of action, Abdullah said, adding that Chakkrapong has the permission of the Malaysian Government to be here under an arrangement granted only to him and his family members.

Speaking to reporters at the Foreign Ministry here, he said the government has not received any request from the Cambodian Government nor the prince regarding his stay in Malaysia. He has been in and out of Malaysia (on that arrangement) and this is one of those (visits), Abdullah said, adding that King Sihanouk was fully aware of his son's presence here and the kind of arrangement between Malaysia and the prince.

Abdullah said he was notified of the prince's arrival by the Malaysian Embassy in Phnom Penh.

Deputy Foreign Minister Cited

BK0507103894 Kuala Lumpur BERNAMA in English 0946 GMT 5 Jul 94

[Text] Kuala Lumpur, July 5 (OANA-BERNAMA)—The Foreign Ministry (Wisma Putra) may have to discuss with the United Nations High Commissioner for Refugees (UNHCR) regarding the status of Cambodian Prince Norodom Chakkrapong in the eyes of international law if Phnom Penh requests for his extradition.

Deputy Foreign Minister Dr. Abdullah Fadzil Che Wan said Tuesday this had to be done for the situation faced by the Malaysian authorities now was something new.

We are getting in touch with the Cambodian Government to find out their actual stand on the issue, whether we should accord the prince any asylum or take any other action, he told reporters at the lobby of Parliament House, here.

The second son of Cambodian Ruler King Norodom Sihanouk came to Malaysia following a failed coup. As the status of the Prince's presence in the country now is still unclear, he is considered a visitor because Malaysia has a special relationship with the Cambodian royal family. Whatever it is, our decisions will take into consideration the feelings of the Cambodian Government and the rights of the prince, he said.

Dr. Abdullah said he was not aware of the prince's whereabouts and that the prince had yet to contact Wisma Putra. Hopefully, things will become clearer after the cabinet meeting Wednesday which will decide on the matter, he added.

Cabinet To Discuss Chakkrapong

BK0407133294 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 4 Jul 94

[Text] The cabinet will discuss the presence of former Cambodian deputy prime minister Prince Norodom

Chakkrapong in Malaysia following an abortive coup in that country on Saturday night. Deputy Prime Minister Datuk Sri Anwar Ibrahim said Chakkrapong had earlier been allowed to stay temporarily since last year in Malaysia at the request of his father King Norodom Sihanouk. He disclosed this to reporters at Labuan island following a ground-breaking ceremony to expand Hotel Tiara today. According to him, the Malaysian Government has not received any formal or fresh requests from Chakkrapong or his father since the latest developments.

During a news conference in Kuala Lumpur this morning, Foreign Minister Datuk Abdullah Ahmad Badawi said Chakkrapong has been allowed to stay temporarily in the country.

Agreement With Indonesia on Economic Projects

BK0307101094 Jakarta ANTARA in English 1703 GMT 2 Jun 94

[Text] Kuala Lumpur, July 2 (OANA-ANTARA)—Indonesia and Malaysia Saturday reached agreement to accelerate the realisation of various economic cooperation projects between the two countries by reducing red tape which could hamper the smooth involvement of the private sector in the cooperation.

In this context, Finance Minister Mar'ie Muhammad and his Malaysian counterpart Anwar Ibrahim announced in Kuala Lumpur expressed readiness to be in the vanguard in overcoming the various bureaucratic obstacles to the earlier realisation of the cooperation projects in the respective countries. For this purpose the ministers also agreed on the need to set up a special institution they called a clearing house.

Mar'ie said such clearing house would facilitate the early realisation of the projects. He was addressing a ceremony of the signing of three cooperation agreements involving the banking and private sectors of the two countries.

Anwar Ibrahim, who is also deputy prime minister, hailed Mar'ie's readiness saying he was also prepared to do the same thing in Malaysia.

The signing of the three accords involved two Indonesian Government banks—Bank Rakyat Indonesia [Indonesian People's Bank, BRI] and Bank Tabungan Negara [State Savings Bank, BTN]—a Malaysian state bank (Bank Simpanan Nasional) [National Savings Bank, BSN], the biggest business conglomerate in Malaysia (Renong Nusantara) and a number of private businesses of the two countries.

BRI president Joko Santoso Muliono and Executive Director of Renong Raja Datuk Aman Ahmad signed an accord of capital ownership amounting to more than 100 million US dollars for the establishment of a venture capital undertaking in Indonesia.

Fifty percent of the capital—meant particularly for promoting middle-scale industries—is held by Renong, and

43 percent by BRI, while the remaining seven percent by several private businesses in Indonesia.

In the meantime, BTN President Widigdo Sukarman and BSN president Ahmad Zahid Hamidi signed a memorandum of understanding on cooperation in money transfer from Malaysia to Indonesia.

The third accord concurrently signed was between Malaysia's private company Kretam holdings and Indonesian private company PT [Company Limited] Ira Widya Utama of Medan for the building of an oilpalm estate and palmoil plant in Natal and Batahan subdistricts, South Tapanuli.

Minister Mar'ie Muhammad is in Kuala Lumpur since Friday for a two-day official visit to Malaysia.

Japan Relations Expected To Remain 'Strong'

BK0107124594 Kuala Lumpur BERNAMA in English 1028 GMT 1 Jul 94

[Text] Pulau Pinang, Jul 1 (OANA-BERNAMA)—Malaysia believes relations with Japan will stay strong under new socialist Prime Minister Tomiichi Murayama, Foreign Minister Abdullah Ahmad Badawi said Friday. He said the three-party coalition which emerged in Tokyo would not bring any changes to bilateral ties.

Our good relations will continue to be maintained, he told reporters after opening an extension building of the Kampung Padang mosque at Kepala Batas near here.

Murayama, the Socialist Democratic Party leader, was elected prime minister on Wednesday with the backing of the conservative Liberal Democratic Party (LDP) and the coalition's smallest partner, new party Sakigake.

Abdullah hoped the Muruyama government would give its support to the East Asia Economic Caucus (EAEC). He also hoped Japan would continue to hold dialogues with ASEAN countries, particularly on economic issues, for their mutual benefit. This had been conveyed to the Japanese Embassy in Kuala Lumpur, he added.

Singapore

Defense Minister Yeo Leaves Cabinet 1 Jul

BK0107153194 Singapore Singapore Broadcasting Corporation in English 1400 GMT 1 Jul 94

[Text] Defense Minister Dr. Yeo Ning Hong says the Singapore Armed Forces [SAF] strives to be top in defense preparedness so the objectives of peace and prosperity can be achieved without fighting. He said this is why the organization needed to have the best men and women. It must also get the best weapons and equipment that are available within our limited budget. Dr. Yeo was delivering his final SAF Day message at a parade at Khatib Camp.

The Ministry of Defense [Mindef] bade a formal farewell to Dr. Yeo this afternoon. Dr. Yeo, who leaves the cabinet today, began his career in Mindef as the minister of state in 1981. His 13-year relationship with Mindef has led to many changes and improvements in the Ministry and SAF. The healthy lifestyle program and a change of name for operationally ready national servicemen are legacies that Dr. Yeo leaves behind.

He handed over the portfolio to Second Defense Minister Dr. Lee Boon Yang.

Al-Arqam Chief Refused Entry, To Return to Thailand

BK0407141194 Singapore THE STRAITS TIMES in English 4 Jul 94 p 17

[By Salim Osman]

[Text] Al-Arqam leader Haji Ashaari Mohamed was still in transit at Changi Airport late yesterday—more than 48 hours after he was refused entry to Singapore by the immigration authorities. Sources said that he and his 12-member entourage had not been able to get a flight out since being told to return to the northern Thai city of Chiang Mai on Friday night.

They were hoping to get on any flight to Bangkok from where the group could catch a connecting flight to Chiang Mai. However, according to sources, the group was reportedly told by officials that they could fly back only on Silkair, which brought them here from Chiang Mai on Friday night. The next available Silkair flight—MI 708—is due to leave for Chiang Mai tomorrow as the airline flies to the Thai city only twice a week. But the Silkair office at Changi airport, when contacted yesterday, declined to confirm whether the group would be on tomorrow's flight.

Haji Ashaari, who is staying at the airport's transit hotel, flew into Singapore from his base in Chiang Mai to meet his followers here. Before being refused entry, the Al-Arqam leader had been making occasional trips to the republic, staying here for about three days each time before flying back to Chiang Mai where the group has a religious centre.

Thailand has been his base since Haji Ashaari, who founded Al-Arqam in 1969, left Malaysia in 1986 to preach overseas after Malaysia's Islamic Centre in Kuala Lumpur accused him of deviationist teachings. Since then he has been travelling round the globe as a missionary for the group.

Last month, Al-Arqam came under fire from the Malaysian Government which accused it of training a suicide squad in Bangkok. But Thai officials denied there were any Al-Arqam training camps in Thailand.

Cambodia

Prince Chakkrapong, Sin Song Attempt Coup

Government Issues Communique

BK0307044694 Phnom Penh National Radio of Cambodia Network in Cambodian 2255 GMT 2 Jul 94

[“Communique of the Royal Government of the Kingdom of Cambodia”; issued in Phnom Penh on 3 July—read by announcer]

[Text] The Royal Government of the Kingdom of Cambodia [RGC] would like to inform Cambodian compatriots of the following:

From the evening of 2 July to 0200 near dawn of 3 July 1994 an attempt was made by a group of persons to create chaos in Phnom Penh. Thanks to efforts made through the activities of the Khmer Royal Armed Forces and the national police forces, the RGC regained control of the situation without any bloodshed. Currently, the RGC has detained a small number of persons who led this unsuccessful attempt to create chaos. An investigation is being conducted.

The RGC appeals to all brothers who joined this unsuccessful attempt at creating chaos because they were forced, misled, or deceived by the coup leaders to return to their barracks or hometowns. The RGC promises not to punish any of them.

The RGC also appeals to the Cambodian citizens in general to maintain good order and calm and carry on with their normal livelihood.

Phnom Penh 3 July 1994

AFP Details Events on 2 Jul

BK0307051494 Hong Kong AFP in English 0448 GMT 3 Jul 94

[Text] PHNOM PENH, July 3 (AFP)—Government troops backed by tanks prevented rebel soldiers from entering the capital to press for the political rehabilitation of a rebel prince and another former government minister, government officials said Sunday.

“(Prince Norodom) Chakkrapong and (former interior minister) Sin Song are not happy so maybe they try to show off their strength,” a minister, who asked not to be identified, said. The government troops turned back more than 100 rebel soldiers late Saturday night, another government official said, adding that he was not aware that any fighting had occurred.

The official described the event as “trying to create public chaos” but said he would not call it an attempted coup.

Government security officials had also surrounded a building where Prince Chakkrapong and his followers were staying.

The prince, a vice-premier in the former communist Phnom Penh regime, and Sin Song have been trying to take back the parliamentary seats from which they resigned to protest against the Cambodian People's Party's defeat in last year's UN-supervised elections.

After the resignations, Prince Chakkrapong, the half brother and bitter foe of FUNCINPEC leader and co-premier Prince Norodom Ranariddh, and Sin Song led a short-lived secessionist movement in eastern Cambodia. FUNCINPEC, the United Front for an Independent, Neutral, and Free Cambodia, espouses a liberal democratic royalist philosophy.

After the failure of their protest, Prince Chakkrapong and Sin Song spent months in the political wilderness, but re-emerged about six months ago demanding political rehabilitation and their seats. Several recent sessions of parliament were adjourned when members failed to agree on whether to let the two return.

Opponents said the constitution did not allow for members of parliament to re-occupy seats from which they had resigned. The issue was finally removed from the agenda to allow parliament proceed with other matters.

Parliament, however, was scheduled to convene this week, and a government official said that Prince Chakkrapong and Sin Song were trying to get themselves back on the agenda and “demand some share in the government.”

A government official said, “I think things are going back to normal.”

Sihanouk Orders Release of Son

BK0307130694 Hong Kong AFP in English 1250 GMT 3 Jul 94

[Text] PHNOM PENH, July 3 (AFP)—King Norodom Sihanouk gave orders from Beijing for the release of one of his sons who attempted a coup d'etat in Cambodia, a senior government spokesman said Sunday.

Prince Norodom Chakkrapong left Cambodia on Sunday morning, hours after between 200 and 300 soldiers loyal to him were thwarted in a bid to march on Phnom Penh.

A co-conspirator, former interior minister Sin Song, was under house arrest after the bid. But government spokesman Siang Lapresse said there were “instructions from the King's cabinet in Beijing” to let the prince go. King Sihanouk is undergoing cancer treatment in the Chinese capital.

The soldiers involved in the coup bid on Saturday night, stopped by government tanks about 25 kilometers (15 miles) from the capital, were sent back to their units without punishment, the spokesman added. But a number of secondary leaders of the uprising are under arrest with Sin Song, the official said without giving specific details.

Chakkrapong Leaves for Malaysia

*BK0307065394 Hong Kong AFP in English 0636 GMT
3 Jul 94*

[Text] Phnom Penh, July 3 (AFP)—Rebel Prince Norodom Chakkrapong, escorted to the airport under armed guard, left Cambodia for Malaysia on Sunday after troops loyal to him and a former minister were foiled in their attempt to march on the capital.

"We made arrangements for Chakkrapong to leave the country," a government minister said.

US Ambassador Charles Twining said government officials and Prince Chakkrapong had reached an "amicable settlement on the prince going to Malaysia. The important thing is that the democratically elected government has survived some kind of threat," Twining said.

Government troops backed by tanks prevented up to 200 heavily-armed breakaway soldiers, in a convoy of armoured personnel carriers, from entering the capital late Saturday, a government official said. He added that government troops had met with no resistance.

The move was suspected to be a show of force in support of the prince, who was vice-premier in the former communist Phnom Penh regime, and fellow conspirator Sin Song, the former interior minister.

Chakkrapong Associate Said 'Missing'

*BK0407104994 Hong Kong AFP in English 1036 GMT
4 Jul 94*

[Text] Phnom Penh, July 4 (AFP)—Cambodian Secretary of State for Defence Chay Sangyun, an alleged associate of the leaders of Sunday's attempted coup, has gone missing, government officials said Monday.

"We do not know where he has gone but he is not in the capital," joint Defence Minister Tie Banh said. Chay Sangyun was reportedly an associate of Prince Norodom Chakkrapong and Sin Song, the leaders of the coup foiled by government troops.

Government officials told AFP that Chay Sangyun had fled to Vietnam. But Minister for Interior Yu Hokkri said the government did not know where he had gone. "All we know is that he is missing," he said.

Meanwhile Khmer Rouge radio, monitored in Bangkok, accused the government of arresting "certain people who refuse to vote for a law outlawing the Khmer Rouge" in the wake of the coup attempt.

There were no reports in the Cambodian capital however of parliament members being arrested.

Ranariddh: Coup Threat 'Over Now'

*BK0407102094 Hong Kong AFP in English 1003 GMT
4 Jul 94*

[Excerpts] Phnom Penh, July 4 (AFP)—Cambodian co-premier Prince Norodom Ranariddh said Monday there was no longer a danger to the country following the weekend coup attempt by his half-brother Prince Norodom Chakkrapong.

"The threat is over now," Prince Ranariddh said, adding that he did not think the coup would have an adverse affect on the country's image. "Look at Thailand, Thailand has survived how many coups since 1939, Thailand has survived perfectly and is a very developed country," he told reporters as he entered the National Assembly.

Members of parliament were set to vote on a bill to formally outlaw the radical Khmer Rouge.

Prince Chakkrapong, a bitter foe of his half-brother, went to Malaysia on Sunday following a request from his father King Norodom Sihanouk, a government official said. [passage omitted]

Cambodia's deputy Minister of Information Khieu Kanharit said the other coup leader, Sin Song, interior minister in the former communist Cambodian People's Party [CPP] regime, was still under arrest and would later be asked to leave the country.

Government troops prevented some 200 rebel soldiers from advancing on the capital late Saturday. Government officials initially called the event a show of force to support an attempted political come-back by the two coup leaders. But Cabinet Minister Sok An later told diplomats it was an attempt to overthrow the government. When the "armed group" was intercepted some 25 kilometers (15) miles east of the city, they were "not very clear about what they were doing," Sok An said, adding "They surrendered very quickly."

Sok An said Prince Chakkrapong confessed to his role saying he staged the coup in order to give full executive powers to King Sihanouk, a constitutional monarch. But a witness who was with the prince up until he left the country, said he was not aware of Prince Chakkrapong making any confession.

Sok An went on to say Sin Song claimed the coup was in protest at the idea of allowing the Khmer Rouge into the government.

"But I don't think Sin Song is coping with reality," Sok An said as the coup came just before members of parliament were expected to formally outlaw the Khmer Rouge. Other government officials said the two were flexing their muscles to try to regain seats in parliament. [passage omitted]

Ranariddh Confirms 14 Thais Held

*BK0407124494 Hong Kong AFP in English 1228 GMT
4 Jul 94*

[Excerpt] PHNOM PENH, July 4 (AFP)—Cambodian co-premier Prince Norodom Ranariddh confirmed reports Monday that 14 Thai nationals had been detained in connection with an abortive coup attempt at the weekend. Prince Ranariddh said those detained had connections to Sin Song, interior minister in the former communist Cambodian People's Party Regime.

"It is natural and logical that we should investigate," he said.

Sin Song was arrested, along with Prince Norodom Chakkrapong, for leading Sunday's unsuccessful coup d'etat, the prince said. Prince Chakkrapong was allowed to leave for Malaysia Sunday following an appeal from his father, King Norodom Sihanouk, but Sin Song was still being detained in the city.

Prince Ranariddh said he did not know whether the 14 Thais would be charged. "I think they will be released after an investigation," he added. [passage omitted]

Sok An Explains Coup Attempt

*BK0407151694 Phnom Penh National Radio of
Cambodia Network in Cambodian 1300 GMT 4 Jul 94*

[Text] At 1700 on the evening of 3 July at the Office of the Council of Ministers, His Excellency [H.E.] Sok An, co-minister attached to the Office, held a meeting to report on the event that took place in Phnom Penh on the night of 2 July. The meeting was attended by the ambassadors of various embassies in Kingdom of Cambodia [KOC].

H.E. Sok An said the attempted armed revolt which was led by General Sin Song, ex-minister of National Security of the former State of Cambodia [SOC], and Prince Khromkhun Norodom Chakkrapong, ex-deputy prime minister of the former SOC, was aimed at creating chaos in the capital, disrupting public order, and eventually destroying all the achievements made through the efforts of our people and the international community.

H.E. Sok An stressed that this provocative act was quelled on the same night after the Royal Government's timely interception and the situation returned to normal without any bloodshed.

H.E. Sok An informed the diplomats further that some individuals who still do not clearly see the reality and who have bad intentions have kept on expounding the event as a warning from the Cambodian People's Party [CPP] to the FUNCINPEC [National United Front for an Independent, Neutral Peaceful, and Cooperative Cambodia] Party members, or as the revenge of the FUNCINPEC Party against CPP members. This is just (?a rumor) that aims to undermine the two ruling parties.

H.E. Sok An added that the two big parties are cooperating closely and will be able to keep the situation under control, thus there is nothing to worry about.

The meeting ended on the same night in a normally calm atmosphere.

Spokesman Briefs Diplomats

*BK0307144394 Hong Kong AFP in English 1433 GMT
3 Jul 94*

[By Kevin Barrington]

[Text] PHNOM PENH, July 3 (AFP)—Prince Norodom Chakkrapong, a son of King Norodom Sihanouk, left Cambodia on Sunday after an aborted coup d'etat was thwarted by government troops, officials said. The government agreed to a request from the country's monarch to let the prince go, the officials said, and he was escorted under armed to a plane bound for Malaysia.

Sin Song, a former interior minister in the communist regime of the Cambodia People's Party in which the prince was a vice-premier, was under house arrest, according to Information Ministry spokesman Sieng Lapresse.

Between 200 and 300 rebels in a convoy of five trucks and 12 armoured personnel carriers converged on the capital on Saturday night, the spokesman said. But they were met 25 kilometers (15 miles) from Phnom Penh by government troops in tanks who had advanced warning.

The coup force gave up without a fight and later returned to their units. "No arrests were made because they realised they made a wrong move and they said they would go back and support the government," Sieng Lapresse said. "There was no killing or bloodshed," he added.

The prince, a brother and bitter rival of current co-premier Prince Norodom Ranariddh, was detained in a hotel with some of his followers a few hours later. Sin Song surrendered at his home and a number of other conspirators have also been detained, the spokesman said without giving details.

According to the spokesman, King Sihanouk's cabinet requested that the prince not be detained. A special message was sent from Beijing where the King is undergoing cancer treatment.

The prince was taken to the airport where he boarded a Malaysian Airlines jet surrounded by 100 armed soldiers. An official source said the prince had asked to go to Kuala Lumpur because a friend had a house there. But in Kuala Lumpur, a Foreign Ministry spokesman denied any knowledge of the prince's arrival or plans for him to go to Malaysia.

The authorities found 28 weapons and 21 two-way radios in the former interior minister and Prince Chakkrapong's houses, officials said. It was not immediately

known what would happen to Sin Song or to the other leaders who were arrested, Sieng Lapresse said.

"They tried to destroy the national institutions, the government and the national assembly." The Information Ministry spokesman also said it was believed the rebels planned to arrest senior military officers.

"If Sin Song resisted it may have been a very complicated event but at 1:30 a.m. Sin Song confessed and surrendered," a government official said.

Another government official told a briefing for diplomats that the night's events would be called "an attempt to create public disorder" for public opinion. "But we can tell you, frankly, that it was an aborted coup d'etat," he was quoted as saying by diplomatic sources.

A senior police official said he believed the coup leaders planned to assassinate ranking military officers loyal to the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Friendly Cambodia] party and the CPP [Cambodian People's Party] hoping that each party would blame the other "leading to the destruction of the legal institutions."

A government advisor, however, said the co-premiers had given "very quick instructions to neutralise the armed group."

Sin Song told the authorities that one of the reasons for the coup was because he and the prince had not been able to regain their seats in parliament, an official said.

Prince Chakkrapong and Sin Song resigned their seats to protest the CPP's loss in last year's UN-supervised polls.

The two then lead a short-lived secessionist movement in eastern Cambodia before retreating into the political wilderness. But they re-emerged some six months ago and demanded their seats back.

Parliament has failed in several debates to decide on whether the pair should return. Opponents argued the constitution barred members re-occupying seats they had resigned.

Khmer Rouge Radio Terms Coup 'Sham'

BK0307132894 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 1200 GMT 3 Jul 94

["Special report from Phnom Penh"]

[Text] A reliable report from Phnom Penh says:

1. Sin Song, former chief of the Vietnamese puppet police, and Chakkrapong, who tried to seceded with seven provinces in May 1993 after the UNTAC [UN Transitional Authority in Cambodia] elections, brought hundreds of troops by truck along Route 1 heading toward Phnom Penh.

This is the first farce.

2. The communist Vietnamese puppets in Phnom Penh, namely Hun Sen, Chea Sim, and Sar Kheng ordered the armed forces and police, accompanied by tanks and armored personnel carriers, to stop Sin Song and Chakkrapong in an area north of Phnom Penh city.

This is the second farce.

3. Communist Vietnamese puppets Hun Sen, Chea Sim, and Sar Kheng mobilized large numbers of police and armed forces together with many tanks and armored personnel carriers to fire heavy machineguns boisterously throughout Phnom Penh, causing great alarm in the city.

This is the third farce.

4. Communist Vietnamese puppets Hun Sen, Chea Sim, and Sar Kheng ordered their police and armed forces, including hundreds of Vietnamese (?troops), to search, threaten, and arrest a large number of persons throughout the night on 1 and 2 July 1994. As of now, they are still being detained.

It is still not clear who has been arrested. But, it is clear that the threat, search, and arrests are conducted against those who still refuse to vote for the legislation to outlaw Democratic Kampuchea [DK].

This is the fourth farce.

5. The Cambodian and the foreign public in Phnom Penh have all said that these are just part of a sham coup d'etat in preparation for the real one.

But who will be the target of the real coup d'etat? It will be a coup d'etat against the king, the National Assembly members from the FUNCINPEC [National United Front for an Independent, Neutral Peaceful, and Cooperative Cambodia] and Buddhist Liberal Democratic Party, political personages, and journalists who refuse to accept the legislation to outlaw DK. It will be a fascist coup d'etat to eliminate the king and all persons who want genuine national reconciliation, national unity, and peace in Cambodia. It will be a coup to impose a monopoly, dictatorship, and fascism and it will continue to enkindle the war of the communist Vietnamese to prolong the killing of the Cambodian nation and people.

6. Public opinion in general, including the para-troops [former non-communist resistance forces] and those who have been forcibly recruited by the two-headed elements, say that both the comedian and the real coup d'etats will compel the entire nation and people to take up clubs to strike the heads of the communist Vietnamese puppets, especially Hun Sen, Chea Sim, and Sar Kheng.

Parliament Considers Bill To Outlaw Khmer Rouge

Paper Carries Text of Draft Law

BK0507102294 Phnom Penh CAMBODIA DAILY in English 4 Jul 94 p 5

[From the "Local" column: "Proposed Law Outlawing the Khmer Rouge, Signed by Co-Premiers Prince Ranariddh and Hun Sen"]

[Text] Article 1: Outlaws the "Democratic Kampuchea" group and its armed forces.

Article 2: Following the day this Law comes into effect, all people who are members of the political organization or military forces of the "Democratic Kampuchea" group shall be considered as offenders of the Constitution and offenders of the laws of the Kingdom of Cambodia and shall be arrested by the competent authorities and sent to the court for sentencing.

Article 3: Besides crimes of murder, rape, robbery of private property, the destroying of public and private property, etc which shall be sentenced according to the existing criminal law, members of the political organization and military forces of the "Democratic Kampuchea" group have continued secessionist activities; acts of destruction against the royal government; acts of destruction against organs of the state authority; incitement of the population to take up arms against the state authority.

Article 4: Acts of secession, of destruction against the royal government, of destruction against organs of the state authority, and of incitement of the population to take up arms against the state authority shall be considered as crimes against peace in the country and shall be liable to 10 to 20 years in prison in serious cases, prison sentences shall be from 20 to 30 years or for life.

Article 5: This law shall allow for an amnesty period of 2 months after coming into effect to permit people who are of the political organization or military forces of the "Democratic Kampuchea" group to return to live under the authority of the Royal Government in the Kingdom of Cambodia without facing punishment for crimes which they have committed.

Article 6: For leaders of the "Democratic Kampuchea" group the amnesty described above does not apply.

Article 7: All state assets which are under the control of the offenders and which come from the illegal division of the territory of the Kingdom of Cambodia and from exploitation of the natural resources of the Khmer people shall be confiscated by the Royal Government whether they are in the Kingdom of Cambodia or any other country.

Article 8: This law shall be announced urgently.

Chairman of the Assembly.

Radio Urges Assembly Passage

BK0207125394 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 1 Jul 94

["Political commentary: There Should Be No Hesitation Toward the Khmer Rouge"]

[Text] To this day, our people—who are the owners of the ballots—hope that all Assembly members who have been granted the right to be the people's high representatives will support the move to outlaw the Khmer Rouge. The decision to outlaw the Khmer Rouge needs the support of a two-thirds majority through secret ballot at the National Assembly.

The National Assembly Secretariat has revealed that they will discuss this issue at the coming Assembly session. The move to outlaw the Khmer Rouge has emerged following the failure of the past two-month's peace talks efforts. On 20 June, the government closed down the office of the Khmer Rouge representatives. It realized the trend and the eventual strong reaction of the Cambodian people against the intransigence of the Khmer Rouge, who has clearly shown warmongering inclinations and ambitions to hold power through the use of guns. Despite some objections, our people firmly believe this move will receive most of the votes at the National Assembly.

Despite this, we do not deny that there is a small number of government officials who have indicated that they will not support the government's idea to outlaw the Khmer Rouge. These officials base their argument on the pretext that this move would lead to military consolidation, which could in turn lead to increased Khmer Rouge military activities.

Looking at their strengths and equipment, the Khmer Rouge has no great ability to expand their military activities to oppose the royal government apart from their destructive banditry, particularly in remote areas. From past battlefield experiences in Cambodia, as this is the rainy season, there will be no fighting. With the rains, the Khmer Rouge also cannot mount large-scale attacks. It is obvious that outlawing the Khmer Rouge is like wounding a tiger which, when wounded, becomes more aggressive. However, a wounded tiger cannot carry on for long. It is the same for the Khmer Rouge.

Whatever, if the Khmer Rouge is outlawed, they will be isolated and will be finished politically and militarily. At present the royal government has enough ability to solve the Khmer Rouge issue as long as all countries, signatories of the Paris agreement, abide by their statements of supporting anyone else except the royal government.

Everyone knows that the Khmer Rouge has been able to survive politically and economically not because they are tigers that nobody can tame, but because foreigners have been providing them weapons and refuge. When it is outlawed, foreigners will no longer have the pretext to continue assisting the Khmer Rouge, who then will loose

their backing. Once the backing is gone, it is like a tiger that no longer has a forest. Sooner or later, it will disappear. Therefore, the Cambodian people believe that there is no other way to solve the Khmer Rouge problem in order to bring definitive peace to our motherland apart from outlawing the Khmer Rouge.

The people trust and hope that their representatives in the National Assembly will not hesitate to outlaw the Khmer Rouge. This is the last resort to end the Khmer Rouge problem. It would benefit the rehabilitation and development of our fine Angkor motherland to make it like other civilized countries the world over.

Sihanouk Said To Oppose Law

BK0307082394 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 2 Jul 94

[Text] It was reported that the king would not sign the law to outlaw the Khmer Rouge, and he said that should the two-headed government declare the Khmer Rouge outlaws he would not return to Cambodia.

According to a report from Beijing, His Majesty King Norodom Sihanouk has expressed that should the Phnom Penh National Assembly pass a law outlawing the Khmer Rouge he would not sign this law. He stressed that if the two-headed government outlawed the Khmer Rouge he would not return to Cambodia. The king said the two-headed government was following a path that would lead the country toward disaster.

Observers said that the conflict in Cambodia was spreading and worsening so much that the king had to make such a strong reaction. The observers saw no solution to this situation. They said the two-headed government would collapse in the face of this tangle of deepening differences.

Further on Sihanouk Stance

BK0507043794 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 5 Jul 94 p 1

[Text] King Norodom Sihanouk's stated disapproval of legislation to outlaw the Khmer Rouge may remove what is widely seen as an obstacle to a negotiated settlement. Even so, national reconciliation seems a long way off.

"If the National Assembly passes this law placing the Khmer Rouge outside the law, I shall not sign the law," the king said in a statement from Beijing three days before a motion to this effect was scheduled to be submitted yesterday.

Two days before the king's message, Finance Minister Sam Rangsi was quoted by AGENCE FRANCE PRESSE as saying that the law would "close the door to a peaceful solution because when you outlaw a group of people, it means you have to fight, destroy, kill all of them".

Information Minister Ieng Muli told Inside Indochina on Saturday: "The problem is that they (the Khmer

Rouge) did not participate in the election, so they put themselves outside and, by fighting the government that emerged from the election, they are against the constitution, they are against the law of the country and they are punishable." But, he added: "We don't need to go to parliament for a law to fight the Khmer Rouge. Even if the law is adopted the situation will be the same, the fighting continues."

As a member of the Buddhist Liberal Democratic Party, Muli is not embroiled in the power struggle between the main coalition partners, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, Cooperative Cambodia] of First Prime Minister Prince Norodom Ranariddh, and the Cambodian People's Party [CPP], which is Second Prime Minister Hun Sen's banner, or any factional tugs within the parties.

As a government minister, however Muli emphasised the juridical argument in favour of the outlaw motion.

"We need to draw a line clearly (to state) who is legitimate and who is not," he said. Such delineation would "also help some friends".

King Sihanouk pointedly showed respect for the country's elected members of parliament and reminded them of his constitutional clout when he declared his disapproval of the outlaw move.

"I will not oppose a decision by the National Assembly," he said in the statement from Beijing. But, he went on: "If the National Assembly passes this law placing the Khmer Rouge outside the law, I shall not sign this law. It is the acting head of state (His Excellency Chea Sim) who shall sign."

The king did not spell out why he opposed the legislation. But, he said: "I shall not fail, at the appropriate time, to give to the Khmer nation and the international community my opinion about this law if it is voted and promulgated."

Rangsi stressed that the law would not only ditch chances of national reconciliation, but could also be used for wider repression.

"Innocent people, those who dare to oppose the war, those who dare to denounce corruption, all those will be accused of being Khmer Rouge accomplices," he was quoted as telling journalists on Wednesday.

Julio Jeldres, director of the Khmer Institute for Democracy (KID) and an honorary counsellor to King Sihanouk, said: "The bill is not clearly drafted, therefore anyone could be labelled a Khmer Rouge or Khmer Rouge supporter. There is no clear definition of Khmer Rouge. The bill refers only to the Party of Democratic Kampuchea which is not known to have membership cards so how can they (members) be defined," he said.

According to one draft obtained by Inside Indochina, "all persons who are members of the political body, and

belong to the military forces, of the 'Democratic Kampuchea' group shall be deemed as offenders against the constitution and violators of the laws of the Kingdom of Cambodia, and shall be arrested by the competent authorities to be presented before court for condemnation".

Muli, the information minister, suggested there were other versions.

While the feared witch-hunt is yet to be seen, Rangsi and Foreign Minister Prince Norodom Sirivut were forbidden to attend a non-government forum organised by the KID on Saturday.

"I was told by (First Prime Minister) Ranariddh that he had asked them not to attend and that from now on ministers would require his permission to attend this kind of gathering," Jeldres said. For organising the forum, Jeldres said he was accused of interfering in internal affairs and threatened with expulsion from the country by a CPP member of parliament, Chhean Vun.

The move to outlaw the Khmer Rouge followed the closure of its office in Phnom Penh on June 17, one day after peace talks collapsed over its refusal to agree to a ceasefire.

In last week's statement from Beijing, King Sihanouk also was critical of the government and made clear his wish to distance himself from it.

"I do not want to exchange letters or other messages with the royal government of Cambodia which, in several fields, engages itself (for some time already) in a path which I find very bad for the country and for itself. This is why I will no longer return to Cambodia," he said.

A controversial June 18 letter to the king from Hun Sen is reported to have angered FUNCINPEC and deepened differences within the party, many raising serious doubts about its leader Prince Ranariddh whose silence over the issue has been conspicuous. In the letter, Hun Sen asked the king for an explanation of comments suggesting that he would take up arms against his plans for national reconciliation.

"I was very shaken when I read the (FAR EASTERN ECONOMIC) REVIEW's article," Hun Sen said in the letter, copies of which were widely circulated by his office.

In the article, Sihanouk said he would assume power for one or two years if the situation becomes "anarchic and desperate" and if parliament submits such a request. But he stressed the need for support from Hun Sen and the CPP "because I do not want to shed blood to fight a secession led by Hun Sen".

Khmer Rouge Leader Issues Statement

BK0307090594 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 2 Jul 94

[Statement by Khieu Samphan, chairman of the party of Democratic Kampuchea, on 2 July; place not given—read by announcer]

[Text] I. Of late, the communist Vietnamese puppets, at the order of their boss, have time and again declared their so-called plan to outlaw the Khmer Rouge.

II. As soon as this scheme is launched, our nation and people clearly see through the aim of the communist Vietnamese and their puppets, that is:

A. To seal off the possibilities for a peaceful solution to the Cambodian problem, for a roundtable, for contacts and talks, and for national reconciliation, so that they can continue to kindle the war and send more Vietnamese nationals to annex and turn Cambodia into another Kampuchea Kraom [former Cambodian territory annexed by Vietnam].

B. To enable them to impose the monopoly, dictatorship, and fascism to suppress, arrest, and detain the people, and to threaten other people to stop talking about peace and national reconciliation.

They obstructed the Pyongyang roundtable and the meeting of the roundtable commission in Phnom Penh. They closed down the Democratic Kampuchea [DK] office in Phnom Penh, closed newspapers, murdered and threatened journalists, intimidated the members of parliament and the ministers of the two-headed regime, and even insulted and threatened the king only because he spoke about national reconciliation.

All these are in keeping with their premeditated, systematic plan to eliminate and purge any forces blocking their way so that they can freely monopolize everything and impose their fascist rule against the nation and people.

III. The cause is that they are afraid of the national reconciliation forces. Earlier, while using the label of a government with two prime ministers, they continued to serve as lackeys of the communist Vietnamese. They have allowed the communist Vietnamese to nibble at Cambodia's frontiers, territorial waters, seas, continental shelf, and islands and to send Vietnamese nationals to annex Cambodia by seizing everything belonging to the Cambodians, such as farm lands, rivers, ponds, fish, and forests; served the communist Vietnamese policy against the Cambodian national reconciliation; and carried on the communist Vietnamese war of aggression to kill Cambodian nation and people.

In such a situation, our Cambodian nation and people have exposed their true face as the national traitors who sold out their own nation and territory. This has exposed their label of being a legal government born from the elections, their multiparty liberal democratic label, and

their constitution label, and laid bare their true nature of being the communist Vietnamese puppet administration—99 percent in Phnom Penh and 100 percent in the provinces. Their National Assembly and government have also been exposed as being the puppet of the communist Vietnamese. Their army and police forces have also remained the fascist army and police forces of the communist Vietnamese puppets. This is why they have showed the communist Vietnamese fangs and bit the people and anyone refusing to serve as puppets of the communist Vietnamese puppets.

IV. The above-mentioned situation has caused more and more public opinions in the United States and other Western countries to raise this question: What benefit will the United States and other Western countries get from the fact that the United States and other Western allies join with the communist Vietnamese in continuing to fuel the communist Vietnamese war of aggression in Cambodia and in providing arms to the government with two prime ministers?

Those of this opinion have become well aware that on the contrary, this is tantamount to helping the communist Vietnamese to smash and purge the U.S. forces and all other forces so that the communist Vietnamese and their puppets can monopolize everything in Cambodia.

So far, they have destroyed almost all the para forces [former non-communist resistance forces] of Prince Ranariddh's and Dien Del's groups. They will continue to smash them to the last man. The forces belonging to the FUNCINPEC [National United Front for an Independent, Neutral Peaceful, and Cooperative Cambodia] and Buddhist Liberal Democratic Party have basically collapsed.

These opinions have asked further: If the communist Vietnamese monopolize everything in Cambodia, what threat will this situation pose to peace and stability in Southeast Asia?

V. However, the more the communist Vietnamese and their puppets impose their monopoly and dictatorship, implement their fascist rule, and kindle the war to kill the Cambodian people and DK party, the more they will be isolated from the Cambodian nation and people. The Cambodian nation and people will fight even more resolutely against them.

Our nation and people have clearly seen and determined that DK is the flesh and blood of our nation and people; that DK is a patriotic force which loves the people, links close to the nation and people, shares weals and woes with the people, pledges to live and die with the people, and is the reliance of the nation and people.

The truth is that the communist Vietnamese and their puppets have no right to outlaw our DK. On the contrary, our nation and people of all generations have already determined their heinous crimes. The more monopoly, dictatorship, and fascism the communist Vietnamese and their puppets impose, the worse they

will be deteriorating the already acute national and social conflict to the point that the already boiling situation explodes more quickly.

In the national and social struggle in the past, at present, and in the future, our national forces, people's forces, and national reconciliation forces have grown and will grow further and will certainly continue to crush the communist Vietnamese and their puppets who are national traitors and arch corrupt.

Our nation and people will certainly be able to realize the national reconciliation. This is the truth, which is clearly proven by the history of the world and of our nation.

[Dated] 2 July 1994

Tie Banh Comments on Draft Law

*BK0407060994 Hong Kong AFP in English 0547 GMT
4 Jul 94*

[Excerpts] Phnom Penh, July 4 (AFP)—A controversial bill to outlaw the radical Khmer Rouge was to be presented to Cambodia's parliament Monday, government officials said.

"We will vote to put the Khmer Rouge outside the law this morning," said a government spokesman before parliament convened. The proposed bill incorporates a series of tough measures which could be taken against the radical faction which boycotted last year's United Nations-organised elections.

There will be a two-month amnesty for rank and file members to defect to the authorities. But this will not apply to their leaders, according to a copy of the draft law obtained by AFP. If the law is adopted members of the Khmer Rouge would be considered as "offenders of the constitution and offenders of the laws of the Kingdom of Cambodia" and face arrest and sentencing by the courts, the draft states.

The courts will deal with crimes of "murder, rape, robbery, destroying of public and private property." The bill also holds out the possibility of Khmer Rouge being charged with secessionist activities and acts of destruction against the royal government.

"In serious cases, prison sentences will range from 20 years to life," the draft law says.

"After adoption of the law, we must fight them," co-Defence Minister Tie Banh told AFP as he went into parliament. The law would make it "easier" for government forces to "eliminate the Khmer Rouge," he said. [passage omitted]

Most members of parliament, however, are expected to vote in favour of the law. [passage omitted]

Finance Minister Opposes Bill

BK0307082994 (Clandestine) Voice of the Great
National Union Front of Cambodia in Cambodian
2330 GMT 2 Jul 94

[Text] Mr. Sam Rangsai, vice chairman of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party and minister of finance and economy of the two-headed government, attacked puppets Hun Sen, Chea Sim, and Sar Kheng for bullying most members of the two-headed government and parliament into outlawing the Khmer Rouge.

In a communique issued in Phnom Penh on 30 June, Mr. Sam Rangsai, vice chairman of the FUNCINPEC party and minister of finance and economy of the two-headed government, expressed his anger at puppets Hun Sen, Chea Sim, and Sar Kheng—Vietnam's out-and-out lackeys—for submitting a bill to put Democratic Kampuchea outside their fascist law.

Mr. Sam Rangsai declared:

1. The overwhelming majority of government and parliament members oppose the fascist law of antinational and antipopular Hun Sen, Chea Sim, and Sar Kheng, who are the out-and-out lackeys of communist Vietnam.
2. Their bill to outlaw the Khmer Rouge is a fascist law against the nation and people who are opposed to the administration of communist Vietnam's puppets in Cambodia and opposed to puppets Hun Sen, Chea Sim, Sar Kheng, and the extremely corrupt People's Party of communist Vietnam.
3. This bill is against the king and his initiative to bring national reconciliation and peace to Cambodia. As a matter of fact, puppets Hun Sen, Chea Sim, and Sar Kheng have voiced opposition to the king's proposal to set up a national reconciliation government under his august leadership to end the war and the suffering and misery of the Cambodian nation and people who have been victims of the war waged by aggressor communist Vietnam for the past 15 years and more.
4. A number of two-headed government members will resign from their posts in opposition to the nation-destroying and people-killing fascist law of puppets Hun Sen, Chea Sim, and Sar Kheng.

Assembly Postpones Debate

BK0407144994 Hong Kong AFP in English 1321 GMT
4 Jul 94

[Text] Phnom Penh, July 4 (AFP)—The Cambodian parliament on Monday postponed for 24 hours debate on a controversial law to outlaw the Khmer Rouge.

"We will examine it tomorrow," co-premier Prince Norodom Ranariddh told reporters as he left parliament which went ahead despite an attempted coup at the

weekend by the prince's half brother. The bill incorporates a series of measures against the radical faction who boycotted last year's UN-supervised polls and have since organised a guerrilla struggle against the government.

King Norodom Sihanouk, Cambodia's ailing monarch, last week disapproved the measure though he said he would not veto it. And 100 members of the 120-seat parliament on Monday voted in favour of putting the bill on the agenda for Tuesday's session.

Cambodian People's Party MP Chhuo Leanhuot said the law was "necessary and should be considered very urgent."

But Finance Minister Sam Rangsai and Foreign Minister Prince Norodom Sirivut were among 15 MPs who said the bill should not be presented until a watchdog body was in place to ensure laws were in accordance with the constitution. The finance minister has expressed concern that MPs were being coerced into supporting the law and the 15 opponents also called for a secret ballot.

If the law is approved, Khmer Rouge members would be considered criminally and constitutionally outlawed and would face arrest, according to a draft copy obtained by AFP.

The guerrillas could face charges of "murder, rape, robbery, destroying public and private property." The law also holds out the possibility of the Khmer Rouge being charged with secessionist activities and acts of destruction against the royal government. For "serious cases," prison sentences of 20 years to life were laid down. It allows the seizure of the Khmer Rouge's assets in Cambodia and abroad. But it also says there should be a two month amnesty to let rank and file members to defect. This will not apply to leaders.

"After adoption of the law, we must fight them," co-Defence Minister Tie Banh said as he went into parliament. The law would make it easier for government forces to "eliminate the Khmer Rouge," he said.

Sam Rangsai, however, said the draft was unconstitutional and warned that it may be used by the government to stifle all criticism.

"I will still vote against the law unless there is very significant amendments to ensure respect for the human rights of those who could be accused of being Khmer Rouge accomplices for political reasons, for political revenge," he said. "Innocent people could be accused," he said, adding that the law would spark a witch-hunt worse than the anti-communist clampdown during the McCarthy era in the United States. The finance minister said he was pleased other MPs had also expressed fears about possible abuse.

Meanwhile Thai military told AFP in the Thai border town of Aranyaprathet that Khmer Rouge and government forces clashed south of the market town of Poipet. A Thai officer had no further details on the clash but

added that four stray shells landed on Thai territory, damaging some farm equipment but causing no injuries.

The guerrillas were heading towards National Route 5, probably to try to disrupt traffic along the major trade route from Poipet to Sisophon, the officers said.

Leaders Clash Publicly Over Bill

BK0507083194 Hong Kong AFP in English 0800 GMT
5 Jul 94

[By Kevin Barrington]

[Excerpts] Phnom Penh, July 5 (AFP)—Members of Cambodia's coalition government clashed publicly Tuesday over a bill that would formally outlaw the notorious Khmer Rouge guerrilla movement. Co-premier Prince Norodom Ranariddh upbraided Finance Minister Sam Rangsai, the most vocal of the bill's opponents, saying the government had been left with no choice but to outlaw the ultra-left faction.

"Your excellency worries about outlawing the Khmer Rouge but remember that (Khmer Rouge nominal leader) Khieu Samphan would never accept a ceasefire," an irate Prince Ranariddh said during a break in parliament. He said parliament would not be debating outlawing the Khmer Rouge if Khieu Samphan "agreed to stop shedding blood and accepted a ceasefire."

"So please answer this question: What shall we do?" the prince asked.

"I ask you again and again, why won't Khieu Samphan agree to a ceasefire? Are there any members of parliament who raise their hands to ask that, why do they only blame the government?" the prince said.

Sam Rangsai and other opponents said the law was unconstitutional and warned it could be used by the government to stifle all criticism.

The bill incorporates a series of tough measures against the radicals, who boycotted last year's UN-supervised polls and have continued a guerrilla struggle against the government that emerged from the election.

A hundred members of the 120-seat parliament voted in favour of putting the bill on the agenda for Tuesday's session.

But Sam Rangsai and Foreign Minister Prince Norodom Sirivut were among 15 who said the bill should be withheld until a watchdog body is in place to ensure the laws uphold the constitution. The finance minister also said MPs were being coerced into supporting the law and lobbied for a secret ballot.

The public squabble in the fragile coalition erupted only three days after an attempted coup allegedly implicating former interior minister Sin Song and Prince Ranariddh's half-brother, Prince Norodom Chakkrapong. [passage omitted]

Sam Rangsai warned that, if approved, the law could lead to a "witch hunt 10 times worse" than the anti-communist clampdown during the McCarthy era in the United States. He said he would vote against the law unless there were "significant amendments" to protect innocent people from being accused of being Khmer Rouge accomplices.

Parliament, however, got bogged down in lengthy debate as some MPs expressed reservations and others support. A CPP [Cambodian People's Party] MP raised some laughter when he questioned whether the Khmer Rouge could avoid sanction by changing their name. Another MP questioned the need for a secret ballot when senior government members had many bodyguards.

"I don't have any bodyguards and I am not afraid, so why do we need a secret ballot?" he said.

Co-Defence Minister Tie Banh earlier urged that the law be adopted saying it would make it "easier" for government forces to "eliminate the Khmer Rouge." Both co-premiers, however, slipped out of parliament as the debate went on.

"Parliament has met for two days and still there has not been a positive result," Hun Sen said. "But it is a free democratic debate so I don't mind as long as the minority respect the majority."

Compromise Reportedly Reached

BK0507130294 Hong Kong AFP in English 1247 GMT
5 Jul 94

[By Kevin Barrington]

[Excerpts] Phnom Penh, July 5 (AFP)—Cambodia's rickety ruling coalition on Tuesday smoothed over an irate public dispute to compromise over a bill for formally outlawing the ultra-left Khmer Rouge.

"I think the atmosphere is much better now," said Finance Minister Sam Rangsai, who had earlier attacked the law as the blueprint for a witchhunt.

Co-premier Prince Norodom Ranariddh predicted the bill would be approved by parliament on Wednesday. But the compromise came at the cost of a public clash in which Prince Ranariddh upbraided Sam Rangsai and challenged him to devise an alternative to outlawing the far-left faction.

"Your excellency worries about outlawing the Khmer Rouge but remember that (Khmer Rouge nominal leader) Khieu Samphan would never accept a ceasefire," he said. The prince said that parliament would not be debating outlawing the Khmer Rouge if Khieu Samphan "agreed to stop shedding blood and accepted a ceasefire."

"So please answer this question 'What shall we do?'" the prince had asked.

The finance minister, however, said he later made a speech to parliament "vigorously" condemning the guerrillas' refusal to agree on a ceasefire. He also said he "recognised the government's necessity to put an end to the Khmer Rouge's destructive activity." Softening his previous stance, the finance minister said he would support the law provided it was directed against the Khmer Rouge only and not used to stifle legitimate opposition.

A hundred members of the 120-seat parliament had voted in favour of putting the bill on the agenda. The bill contains a series of tough measures, including life prison sentences, against the radicals who boycotted last year's UN-supervised polls and have continued a guerrilla struggle against the government which emerged from the elections.

"But it must not be used for any other purpose, it must not trigger a witch hunt against legal political opposition," said the finance minister, who proposed four additional clauses be added to the law to safeguard against its abuse. The amendments include a stipulation that the law be suspended if the Khmer Rouge agree to a ceasefire. [passage omitted]

"Of course every authority would like a free hand to do things very quickly but there must be check and balance," Sam Rangsi said at the end of the second day of parliament. "It is our role here as MPs to make an acceptable law," he said.

Co-Defence Minister Tie Banh, meanwhile, urged that the law be adopted saying it would make it "easier" for the government forces to "eliminate the Khmer Rouge.

Commentary Says U.S. Support Threatens Stability

BK0507035694 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 Jul 94

[Unattributed commentary]

[Text] The Vietnamese communists and their puppets are imposing a monopoly and dictatorship in Cambodia by eliminating those refusing to become their puppets like Prince Ranariddh and Ieng Muli. Also, they have gone so far as to eliminate King Norodom Sihanouk. Nonetheless, the United States claims with praise that democracy is now developing in Cambodia.

David Lambertson, U.S. ambassador in Bangkok, has said that democracy is developing in Cambodia and is the fruit of international efforts. The international community, he added, should continue to support the movement. Lambertson spoke in his capacity as a U.S. ambassador representing U.S. Government opinion. As for the Phnom Penh government, it has acclaimed the U.S. stance and has pressured others to agree with it and to act similarly.

While the Vietnamese communists and their puppets in Cambodia are apparently imposing a monopoly and despotism in Cambodia by eliminating those who refuse to surrender to them and to become their puppets like Prince Ranariddh and Ieng Muli, and while they have become insolent and have gone so far as to eliminate King Norodom Sihanouk, regional countries and others are aware that political, diplomatic, economic, and military support for the two-headed government is tantamount to helping the Vietnamese communists swallow Cambodia. This will also result in adverse consequences for the countries of the region and provides no advantage to the United States, either. On the contrary, this action is like adding fuel to the fire of war in Cambodia, thereby threatening peace and stability in Southeast Asia.

Thailand

Further on Drug Allegations Against MP Watthana

Watthana Denies U.S. Allegations

BK0207123794 Bangkok THE NATION in English 2 Jul 94 p A4

[Text] Chat Thai Party deputy leader Watthana Atsawahem yesterday vehemently denied that he had been involved in the drug business, and insisted he was not aware his US visa application was rejected until the media broke the news.

"I hate drugs. I affirm that neither my relatives nor associates are involved in the drug trade," he said.

Watthana said he had a lifetime US visa and had not been aware he was on the blacklist until the embassy's confirmation yesterday. The US Embassy yesterday confirmed that it had denied a visa to Watthana and informed him of its decision in a letter dated June 28. It said his request was denied on grounds that he was suspected of involvement in drug trafficking.

Speaking to a press conference at his home, Watthana said he had received a lifetime US visa in 1991 and had never been informed by the embassy of its cancellation. The press conference was held at 10 AM, two hours before the US Embassy faxed its press release to newspapers.

Watthana said he himself had not requested a visa to enter the United States, but Parliament officials applied on his behalf without knowing he already had a lifetime visa.

The Samut Prakan MP said a Thai boxing promoter, Songchai Ratanasuban, wanted him to help promote some matches in Los Angeles on US Independence Day on July 4. As a result, Watthana said, he had Parliament officials extend the validity of his expired diplomatic passport in the middle of last month so that he could attend the boxing event. Watthana said the officials

applied for his visa on their own after having had his passport's validity extended.

Wattana said a Thai staff member at the US embassy at that time called his office to inquire about the purpose of his planned visit to the United States. He said he told the embassy worker he had decided to cancel the trip because the country was facing a charter crisis, stemming from Chalot Worachit's hunger strike. Wattana said he had been to the United States three times without problems.

He visited the country in 1977 as a tourist, and he visited his son in April 1991, after being granted the lifetime visa on April 17 of that year. He visited the country again in July 1992, this time travelling on a diplomatic passport, which was stamped with a visa dated July 1.

The Chat Thai deputy leader said he did not believe he would have problems travelling to the United States, because he had been "very familiar" with the US labour attache when he was deputy interior minister from 1988 to 1991.

"The labour attache also invited me to visit the US Labour Department, but I declined because I was busy," Wattana said. "Moreover, I also provided convenience for US authorities when they wanted to visit American inmates who were convicted on drug charges here," Wattana said.

"This is an attempt to destroy me politically, by only sending a simple sheet of paper to everywhere. Now I have a lifetime visa to enter the United States, and my passport has not been stamped with any visa cancellation," Wattana said.

Asked whether the US embassy had informed him about the visa denial, Wattana said: "I don't know".

When asked whether he would inquire at the US embassy to clear up the confusion, he said: "I don't have to. I am not in trouble and I am not in love with that country. If they don't want me to go, I won't go and that's all."

Wattana declined to answer when asked to name who he thought wanted to destroy him politically.

Asked whether he had intentions of travelling to the United States now that the charter crisis had calmed down, Wattana said he had to stay in the country because the opposition was planning to hold a no-confidence debate against the administration, and the House was about to deliberate the government budget bill. When pressed whether he would try to clear himself of the drug allegations, Wattana reiterated that he had never been informed of the visa denial.

Chuan Questions U.S. Handling of Case

BK0207125194 Bangkok THE NATION in English 2
Jul 94 p A4

[Text] Prime Minister Chuan Likphai yesterday questioned the US authorities' handling of a number of Thai politicians who have been denied visas on suspicion they were involved in drug trafficking. He said the US authorities should deal with the cases in a more transparent manner.

"Lawsuits should be filed against the accused, or else the evidence should be forwarded for legal proceedings," Chuan told reporters at a Bangkok hotel.

Without directly referring to the US Embassy he said he was "not quite satisfied" with the US authorities in publicizing the names of those who were denied entry visas on suspicion of their involvement in drug trafficking. A suspicion without proof can destroy the reputation of the accused, he said.

The prime minister said publicity about the suspicion has an impact on Thai politics because those denied visas are well-known figures.

"We're unhappy with it," he said without elaborating.

Chuan said his government has a duty to protect Thai citizens. Those accused of wrongdoing should face fair legal prosecution, he said. The prime minister referred to Thanong Siriprichapong, a former Chat Thai MP who faces drug trafficking charges in the United States, saying the case is being considered according to due legal process. However, he said, the cases of Chat Phatthana MP Mongkhon Chongsuthamani and deputy Chat Thai Party leader Wattana Atsawahem remain unclear. The two are under suspicion by US authorities and nobody knows whether they really were involved in the drug trade.

Chuan admonished whoever first spread the news about Wattana being denied a US visa.

Wattana Seeks U.S. Evidence

BK0207131194 Bangkok THE NATION in English 2
Jul 94 p A4

[Text] Chat Thai Party deputy leader Wattana Atsawahem yesterday provided his own explanation as to why he was suspected by the United States of involvement in drug trafficking. Wattana was speaking to reporters at Parliament after the US embassy confirmed in a press release that the Samut Prakan MP had been denied an entry visa on suspicion that he was or had been involved in drug trafficking. The embassy did not detail its suspicion, but Wattana cited two possible cases which he said might have prompted the United States to suspect him.

Wattana admitted that he had bought a hotel for Bt100 million in Chiang Rai's Mae Sai district, with Chat Phatthana Party MP Mongkhon Chongsuthamani

acting as "a purchase coordinator". Mongkhon has also been denied an entry visa to the United States because of the same suspicion.

Wattana said although the former owner of the hotel was later arrested for alleged drug trafficking, that did not prove that Wattana had anything to do with the narcotics trade. He did not identify the person who had sold him the hotel.

"I am a businessman. So, what was wrong with my purchase of a hotel for a reasonable price? I did buy the hotel several months ago. But I just bought something from other people. How could they say I support drug trafficking?" Wattana said.

He said another case which may have placed him under suspicion may have been the arrest and conviction of Samak Thiansuwan on drug trafficking charges. Wattana said Samak had run on the same election team as himself. "But his trafficking had nothing to do with me. It's his own business. No one should assume from this that I was involved," Wattana said.

He criticized the United States for lacking diplomatic etiquette in announcing its suspicion of him.

"The United States should demonstrate diplomatic etiquette. A civilized country should not have done something like this," Wattana said.

The embassy issued the press release in response to inquiries from the press.

The Chat Thai deputy leader also challenged the United States to provide strong evidence to substantiate the drug allegations against him.

"If they have evidence to prove I supported or was involved in drug trafficking, I am ready to defend myself. I am ready to go to the United States even tomorrow if they have evidence," Wattana said.

He said he was "much hurt" by the US embassy's action and would ask his son, who is now living and working in the United States, to turn in his green card.

Wattana said Chat Thai leader Banhan Sinlapa-acha's comments on Thursday that he knew a week earlier that drug allegations would be made against a Chat Thai MP were true.

"Earlier, a police officer warned me that I would be implicated," Wattana said.

MP Cites Plans To Counter Charges

BK0207132194 Bangkok Radio Thailand Network in Thai 1200 GMT 2 Jul 94

[Text] At 1500 today, Deputy Chat Thai Party leader Wattana Atsawahem, who has been denied a visa to the United States for suspected drug trafficking activities, assigned Man Phatthanathai, a member of the party executive committee, to issue a statement to media

representatives on his behalf. The statement said the United States has the privilege to refuse a visa to Wattana. However, publicizing the matter is tantamount to an insult and contempt of a senior Thai politician and causes damage to Wattana, the parliamentary institution, and Thailand. In the statement, Wattana said he will not allow the issue to fade away and will protect his honor and the honor of the parliament. Wattana appeals to the MP's and senators to boycott the invitation for them to attend the U.S. Independence Day function on 4 July.

According to the statement, on 4 July at 1300 Wattana will call on Prime Minister Chuan Likphai at Government House to explain the facts. At 1500, he will submit a motion to the House Foreign Affairs Commission to summon a U.S. Embassy official to give an explanation and relevant evidence. At 0930 on 6 July, Wattana will ask the House president for the floor to condemn the unsubstantiated allegation by the U.S. Government.

Man added on behalf of Wattana that if a U.S. Embassy official does not appear to clarify the matter, Wattana will sue the U.S. President and the USIS Bangkok office. A statement is also expected to be issued by the Chat Thai party soon.

Wattana, Chuan Discuss U.S. Charge

BK0407144094 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 4 Jul 94

[Text] Wattana Atsawahem, deputy leader of Chat Thai Party, today submitted a letter to the prime minister to express his gratitude for the latter's straightforward interview statement in connection with the U.S. drug trafficking charge against him. Wattana called on the prime minister at Government House this afternoon and pledged to do his best to defend the Thai National Assembly which might mean filing a libel suit against U.S. President Bill Clinton. The letter also informed the prime minister that the issue will be brought up for discussion during the house session on 6 July.

Prime Minister Chuan Likphai told reporters after his meeting with Wattana that he had convinced the latter that the problem was not the work of the government and Wattana has not imposed any obligations on the government. Whether or not Wattana will be allowed to clarify the whole issue to the house will be decided by the house speaker.

U.S. Formally Requested To Provide Drug Evidence

BK0507032494 Bangkok BANGKOK POST in English 5 Jul 94 pp 1, 3

[Text] Thailand submitted a formal request to the United States yesterday to provide additional information on its decision to refuse Chat Thai Party deputy leader Wattana Atsawahem an entry visa because of suspicion he has had links to the drug trade.

Foreign Minister Prasong Sunsiri said after a 30-minute meeting with US Ambassador David Lambertson that the envoy would transmit the request to Washington and inform the ministry of the response.

"I invited Mr Ambassador here today to ask for more information because I also want to know what they have apart from the statement released by the US Information Service last week," he said.

Mr Lambertson said he had nothing to say on the substance of the case beyond the USIS statement released last Friday.

The statement said Mr Watthana was ineligible for a US visa under Section 212a (2C) of the Immigration and Nationality Act because "there is reason to believe he is or has been an illicit trafficker in a controlled substance and/or has been a knowing assister, abettor, conspirator or colluder with others in the illicit trafficking of controlled substances".

Sqn Ldr [Squadron Leader] Prasong said the Government would not ignore the case, but protection or assistance to Mr Watthana would only be given after it receives further clarification from Washington.

"Inviting the US ambassador here shows we're paying attention to the case. We're not ignoring it," he said.

Mr Watthana yesterday called on the House Foreign Affairs Committee to ask Mr Lambertson to offer testimony on Friday about the visa ban. He also asked the committee chairman Krasae Chanawong to ensure only the ambassador gave evidence not a more junior official, and that he should present all available information to prove the Chat Thai deputy leader may have been linked to drug dealings or other crimes which justify banning his entry into the US.

He also wants the chief of the US Drug Enforcement Agency in Thailand and the chief of USIS to testify. Mr Krasae said he would convene a meeting of the committee Friday to look into the Watthana issue but declined to say if he could ask the US ambassador to cooperate.

Mr Watthana also proposed that the House committee allow members of the press to observe the proceedings. He said he would take the floor during the House meeting tomorrow to "speak his heart out" about the scandal.

House Speaker Marut Bunnak has granted Mr Watthana 15 minutes to discuss the case before MPs consider the 1995 Budget Bill.

Mr Watthana has threatened to sue US President Bill Clinton, Mr Lambertson and USIS for accusing him of links to the trade of "forbidden substances"—a reference to drug smuggling or the trade in banned chemicals used in the production of heroin.

"The Godfather of Samut Prakan" dared the US authorities here and abroad to come up with any hard evidence to back their allegations. He also dared the US courts to consider his case and offered to be present at hearings to defend himself.

Mr Krasae said he sympathised with Mr Watthana and called on the US government to take care more about the prestige and reputation of leading Thai politicians, "just as much as we Thais care for American dignity and honour".

Mr Krasae said the US authorities should have treated the visa ban on Mr Watthana as a "personal affair" and not have condemned him or turned the case into such a scandal.

"The US accusations are not clear. If Thai MPs are given such a bad image one after another, they will not dare introduce themselves as a Thai MP for fear of such scandals," he said.

Mr Watthana told reporters in the presence of Mr Krasae and several other members of the House committee that he was as "clean as transparent glass" otherwise he would have had his assets seized by the National Peace-keeping Council back in 1991 along with other MPs.

"I must fight back for the prestige and dignity of the Thai House of Representatives. I'm not going to let such a world bully point an accusing finger at me that easily.

"If I am as bad as accused, don't spare me any mercy. Very few people have the courage like me to say this. I'm as clean as transparent glass."

Mr Watthana said his case had only just begun and "there will be many more parts of my story".

Chat Phatthana MP Sophon Phetsawang yesterday called on Sqn Ldr Prasong through the Prime Minister to ask the US authorities to reveal the names of any other Thai MPs they suspect of links to drug dealings.

Mr Watthana yesterday afternoon met with Prime Minister Chuan Likphai at Government House for 20 minutes.

Mr Chuan said later Mr Watthana only presented him with a letter and did not "ask for anything" other than for permission to hand copies of the letter to reporters.

The Premier said they did not discuss Mr Watthana's threat to sue the US President and he refused to say whether Mr Watthana was making a national issue out of a personal one.

House Speaker Criticizes USIS

BK0207145394 Bangkok THAI RAT in Thai 2 Jul 94 p 11

[Text] House Speaker Marut Bunnak said he does not know which group was responsible for sending the fax message about Watthana Atsawahem's problem to news

agencies, adding that everyone should help eliminate such a trouble-making activity. No one should try to put the blame on the government, because it knew nothing about this issue. The house speaker said the U.S. Information Service, he believed, is part of the U.S. Embassy in Thailand and has diplomatic immunity. For this reason, it is not right for the U.S. side to make unsubstantiated charges against anyone because the damaged party cannot seek court assistance to disprove the accusation. He said he is very concerned about such a groundless accusation because it can really cause damage to other people. If the U.S. side has enough evidence, it should take legal action. The house speaker noted that the fax message must be sent out by those who harbor ill intentions against the national assembly. As for USIS, it must have clear evidence to press charges against anyone because everyone is considered innocent until proven guilty. The Foreign Ministry will have to notify the U.S. Embassy about the damages caused to Thai citizens by such a practice.

Deputy Foreign Minister Comments

BK0407041994 Bangkok BANGKOK POST in English
4 Jul 94 p 3

[Text] Thailand will consult the U.S. Embassy in the hope of finding ways to avert damaging repercussions of any future information leaks about alleged links of Thai politicians to the drug trade, Deputy Foreign Minister Surin Phitsuwan said yesterday.

The Government was very unhappy that its people were often named in the news media as suspected of involvement in drug dealing, he said. "I feel sorry and concerned for the reputation and dignity of all Thai politicians. (Bad) images occur again and again which is not good for the country."

The latest case, that of Chat Thai deputy leader Watthana Atsawahem, was revealed on Thursday when an unsigned leaflet was faxed to news agencies in Bangkok saying that the U.S. Embassy had announced on May 16 that it would reject an entry visa for the Samut Prakan MP because of suspicions he had links to the drug trade.

Mr Surin believes consultations involving the Foreign Ministry, other state agencies and the embassy have begun. But he declined to give details. He said the matter was complicated for the embassy as it had a duty to follow American laws to protect U.S. interests, but at the same time had to avoid damaging people. He stressed the embassy's right to ban anyone it believed would cause social problems in the U.S. But such information had to be kept confidential because people were adversely affected if such a move became public.

The embassy sent one letter to inform Mr Watthana and then reported to the Foreign Affairs Ministry, he said. Mr Watthana denied on Friday that he received any letter from the embassy.

Mr Surin said the big problem was how to keep secret the names of those denied entry visas by the embassy. "I think the embassy tried to keep the secret. But it was our mysterious third person who did it (leaked the name)." He said Mr Watthana had the right to lodge charges against the embassy, but there were uncertainties whether this would bring results since the embassy was carrying out its duty under American regulations.

Countries have different immigration laws but he believes these will become more standardized. Thailand will not be able to avoid such international regulations.

Mr Surin responded to a request from several MPs that he should boycott U.S. Independence Day celebrations today by saying: "We should separate the issues—relations between governments, countries or individuals. We must preserve those relations."

Deputy Prime Minister Amnuai Wirawan, who oversees the Narcotics Control Board, said the Foreign Ministry should initiate efforts, through talks with the U.S., to find ways to prevent recurrence of such incidents. "We don't want to be asking ourselves in another two months who will be next," Mr Amnuai said. He said that Ron Brown, a drug adviser to US President Bill Clinton, told him in Thailand recently that the U.S. had no blacklist of Thai politicians suspected of drug trafficking. It also had no policy to make public the names of suspected politicians in an effort to destroy them. "I don't know why U.S. agencies in Thailand let things come out. I don't feel comfortable with this and those who are accused cannot accept it," Mr Amnuai said.

Prime Minister Chuan Likphai said Mr Watthana would meet him today and he would ask the Chat Thai deputy leader about the allegation. However, he stressed that the claim was not made by the Government. He said that unlike the case of former Chat Thai MP Thanong Siriprichaphong, there was no official charge filed against Mr Watthana by the U.S. and the Government could not examine anything. But if Mr Watthana wanted more information from the U.S. he would ask the Foreign Ministry to make inquiries. This would depend on Mr Watthana.

Prime Minister Downplays Abramowitz Comments

BK0207091994 Bangkok THE NATION in English 2
Jul 94 p A2

[Text] Prime Minister Chuan Likphai yesterday played down the controversy over an article written by a former US ambassador accusing the government of continuing to support the Khmer Rouge. He said the article was based on out-of-date information and was the opinion of an individual, not the US government.

Former US ambassador to Thailand Morton Abramowitz's article was printed in THE WASHINGTON POST on May 29. It accused the Thai government and the

military of providing food and arms and giving sanctuary to the Khmer Rouge leaders. The column drew a storm of protest from the House committee on foreign affairs. Some of committee members called for a ban on Abramowitz entering Thailand and demanded he be declared persona non grata.

Chuan, speaking after attending Labour and Social Affairs Ministry ceremony, said the former US ambassador's article had been based on old information.

"Abramowitz may not have kept track of developments in the world situation. In the past it is true that the UN and other many countries including Thailand supported the Khmer Rouge, but the UN resolution on the issue has been changed," he said.

The premier said the press should not dance to the tune of such an article as it did no good for the country. He had already instructed the Foreign Ministry to carefully reread the article, as it was possible the former ambassador had not intended to damage Thailand's reputation. The article had also expressed a personal opinion.

"The article was written by an individual, not by the US government, so there's no point in people trying to create a rift between the Thai and US governments," he said.

Deputy Prime Minister Bunchu Rotchanasathian also said Abramowitz's article was based on old information.

"The Foreign Ministry is looking into ways to deal with the matter. The former US ambassador has written nothing new at all," he said.

First Army Region commander Lt Gen Chettha Thanacharo said not only the military that was displeased with such an article. Thais nationwide were offended.

"The US ambassador had been in Thailand. He should know what he should or should not write, especially about the monarchy," he said. However, the military would let the government handle the matter. "The Army has already declared its clear-cut stand against dealing with the Khmer Rouge."

Editorial Reacts to Abramowitz Article

BK0207133394 Bangkok MATICHON in Thai 2 Jul 94 p 2

[Editorial: "The Problem Is With the United States"]

[Text] The Thai Government and military are always accused of supporting the Khmer Rouge despite their constant denials. The latest accusation has been made by Morton Abramowitz, former U.S. ambassador to Thailand, in his article published in THE WASHINGTON POST. The Thai embassy in Washington has already issued a denial statement, but it is very difficult to clear Thailand from such an allegation because this is the impression of the people in the U.S. Administration.

All our attempts to clear ourselves from the accusation are likely to fail because the United States is attached to

the unchangeable impression that the Thai military supports the Khmer Rouge. Therefore, it is unfair to blame the government or military for their failure to iron things out. The crux of the problem is the strong belief on the part of the United States. The question that arises now is: How can we eliminate such an impression from the American mind?

This is the problem of the United States. Nobody can prohibit the United States from believing that. The United States has harbored ineradicable hatred against the Khmer Rouge for causing the death of millions of Cambodians during their rule. The United States does not want the Khmer Rouge to take part in the administration of Cambodia in the new era and has tried all ways and means to bar them from joining the coalition government. On the contrary, Thailand recognizes all factions including the Khmer Rouge. This is the contradiction between Thai and U.S. policies.

The United States will be very pleased and will discard its old belief if Thailand becomes an enemy of the Khmer Rouge and helps the United States wipe it out or cooperate to pressure them. Thailand's neutral policy and impartial dealing with all Cambodian factions have been considered useful to the Khmer Rouge. No matter how hard Thailand tries to explain its position, the United States will not believe that Thailand does not support the Khmer Rouge. There is no way to convince the United States in this regard because the policies of the two countries are contradictory.

For this reason, the trade activities along the common border between the Thai and Cambodians irritate the eyes of anti-Khmer Rouge countries like the United States. In any event, it can be said that the ongoing fighting and political conflicts in Cambodia can also be attributed to external causes. In other words, outsiders do not support the ideal of peaceful negotiations among the Cambodians. As long as the Cambodians are divided into factions as the result of external interference, there can never be any reconciliation among the Cambodians. Part of the problem is with the United States.

Subcommittee Appointed To Review Ties With U.S.

BK0207133594 Bangkok PHUCHATKAN in Thai 2 Jul 94 pp 1, 2

[Text] Tiron Phongmekhaphat, adviser to Deputy Prime Minister Suphachai Phanitchaphak, told reporters after the meeting of the International Economic Policy Committee on 1 July that the meeting appointed a subcommittee to look into the future framework of Thai-U.S. relations and to be in charge of revision of the 1968 Thai-U.S. Treaty of Amity and Economic Relations.

Tiron said that the committee is of the opinion that the treaty is merely part of the framework of Thai-U.S. relations and that there are now options other than terminating the agreement.

It is noted that appointment of the subcommittee to be in charge of revising the treaty is apparently aimed at finding more time to do the work that was left pending since last October. Opinions are divided concerning the revision of the treaty. The call for the revision of the treaty was made on the grounds that the treaty is unfair to Thailand. The United States often cites the treaty to press for business interests, such as in the case of the Phaisan Insurance Company. However, many people fear that the revision of the agreement might affect bilateral relations.

Tiron revealed that the subcommittee was appointed to cope with the changing relations between Thailand and the United States and the anticipated increase in trade and business activities and related problems between the two countries. However, the subcommittee's responsibility will not cover multilateral trade issues because they must be brought up for discussion at international forums.

The subcommittee comprises officials from the Commerce Ministry, Foreign Ministry, and Deputy Prime Minister Suphachai Phanitchaphak's working team, technocrats, and business people.

The meeting participants also discussed and expressed agreement with the Judicial Council's ruling in the case of the Phaisan Insurance Company. The ruling stated that the foreign firm cannot open branch offices in Thailand, citing provisions of the Thai-U.S. treaty.

The treaty is the only existing bilateral agreement between Thailand and the United States.

Foreign Minister Regrets Cambodian Coup Attempt

BK0407140694 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 4 Jul 94

[Text] The Foreign Ministry is checking the reports about Thai nationals being involved in the just-ended coup d'etat in Cambodia. Foreign Minister Squadron Leader Prasong Sunsiri said he had instructed the Thai Embassy in Phnom Penh to investigate the report, adding that the coup attempt was an unfortunate incident because the world wants to see reconciliation:

[Begin Prasong recording] We regret that the incident took place. We believe the government will be able to keep the situation under control and continue to work for national reconstruction and reconciliation. [end recording]

Touching on the report that 14 Thai nationals are being detained in connection with the coup in Cambodia, Squadron Leader Prasong Sunsiri said he had asked the Thai ambassador to check their histories. He believes they were not involved in the attempted coup.

Editorial Comments on Attempted Coup in Cambodia

BK0407011094 Bangkok THE NATION in English 4 Jul 94 p A6

[Editorial: "Cambodia's Fledgling Democracy Under Siege"]

[Text] Cambodia's fragile democracy survived another attempt on its young life over the weekend when the government foiled an apparent coup attempt led by King Sihanouk's estranged son Prince Chakkrabong.

The conspiracy was a relatively low-key affair. According to government accounts, it first learned of the coup attempt when about 100 soldiers in a dozen armored vehicles were spotted driving toward the capital late Saturday. The renegade troops were arrested and sent back to the western province of Prey Veng. Chakkrabong was put on a plane out of the country and his co-plotter, former Interior Minister Sin Song placed under house arrest.

US Ambassador Charles Twining summed up the day by saying, "The important thing about this incident is that a democratically-elected government has survived."

In many ways, however, the incident was more a throw-back to the armed struggles that have traditionally decided who rules Cambodia rather than a test of the country's new democracy.

The real test of whether a truly representative government will survive in Cambodia may well be determined by the debate over a government bill to outlaw the Khmer Rouge guerrillas.

Up until now the debate has been vigorous and emotional. Protagonists for the bill, including the two prime ministers Prince Ranariddh and Hun Sen, argue that they have exhausted all efforts to find a peaceful reconciliation with the intractable guerillas and that their current ambiguous status and presence in Phnom Penh only serves to undermine the government's anti-insurgency campaign.

Opponents of the bill, including King Sihanouk and popular Finance Minister Sam Rainsi believe the law would effectively shut the door on prospects for a negotiated settlement and lead to more bloody and costly fighting.

What is most alarming to many democracy advocates however is a fear that the broad-ranging law, which sets down jail terms of up to 30 years for "acts of secession, of destruction against the Royal government" will be used to quieten political opponents of the government, including newspapers and human rights activists under the pretext that they are pro-Khmer Rouge.

The issue became a flashpoint of concern at a weekend seminar held to discuss the law with foreign social

workers charging government officials were threatening to have them thrown out of the country.

The legislation is expected to go before parliament today.

In light of the divisiveness of the issue—King Sihanouk has said he will refuse to sign the proposed bill into law and has accused the national government of failing to run the country properly—Cambodia's lawmakers would do well to take into consideration concerns over its impact on human rights.

On paper, Cambodia has some of the most liberal human rights and press laws in Southeast Asia. However the country is also essentially at war and its elected lawmakers must be careful that whatever drastic action they take to counter their military rivals is not used against their political opponents.

Article Examines 'Strange' Coup Attempt

BK0507092894 Bangkok BANGKOK POST in English
5 Jul 94 p 4

[Article by Francis Hutting: "Doomed from the outset: Cambodia's strange coup"]

[Text] It was a strange coup attempt. Doomed to failure from the beginning. The government called it a "public disturbance" and indeed it seemed to have amounted to little more than that.

Even in Cambodia one does not launch a victorious coup with fewer than 200 men, a few armoured vehicles, and no clear plan. And obviously the government had been informed of the plotters' intentions well in advance.

By Saturday afternoon, residences of ministers and strategic buildings in the capital had been instructed to be extra careful. Some received a minimum of extra protection. The rebels, coming down Highway No. 1 from Prey Veng, were intercepted some 30 kilometres from Phnom Penh and gave up without much resistance.

On Saturday afternoon, the two prime ministers of the Royal Government had been discussing the probable coup and certainly there was no panic.

One of the two leaders of the rebellion, General Sin Song, was arrested at home during the night. Prince Chakkrapong, after a conversation with senior officials of the Cambodian People's Party, including co-Prime Minister Hun Sen and Interior Minister Sar Kheng, agreed to surrender as long as he could go abroad.

On Sunday morning, Prince Chakkrapong, after spending part of the night at the new Regent Hotel, near Pochentong Airport, and escorted by one of the Interior Ministers, Yu Hokkri, left for Kuala Lumpur by the regular 10:30 flight.

There is still a lot of speculation on what prompted Chakkrapong and Sin Song to attempt a coup with so little obvious support, such remote chance of success. It

is quite possible that the two men misjudged the amount of the support they would find in the army and especially the police.

Sources in Phnom Penh claim that General Sin Song, who was appointed deputy Interior Minister in 1981, and from 1988 until the 1993 elections was Interior Minister, had maintained important links with some of his former subordinates.

It was no great secret that during the past few months, after returning from exile after the failed secession of June 1993, General Sin Song had been very active in Phnom Penh, talking to old friends and probably recruiting forces for his attempted coup.

Sin Song, born in 1947, was a member of the revolutionary Khmer Issarak movement since the late sixties, and left the Khmer Rouge in 1977, at least according to the official biography that was distributed in 1981, at the time of the elections for the National Assembly.

He was also briefly a member of the Supreme National Council of Cambodia, apparently replaced by his deputy at the Interior Ministry because he was "too flexible."

He was recently described by a senior diplomatic source who has known him since the early eighties as "a rather reasonable man".

After the May 1983 general election, and following the electoral defeat of the Cambodian People's Party (CPP), Prince Chakkrapong, generals Sin Song and Bou Thang were at the forefront of a short-lived secession.

Their aim was to detach the eastern provinces from the rest of the country and transform them into some kind of autonomous region they planned to call 'Samdech Euv', the familiar name given by the population to then-Prince Sihanouk.

It is widely believed that Chakkrapong and his friends were not acting alone, and that the secession had received the blessing, if not the encouragement of other high-ranking CPP officials.

It is thus possible, given this previous experience, that Chakkrapong and Sin Song believed that other CPP members were ready to follow them, or that some senior members of the CPP gave them the impression they were not alone in wanting a change.

The time may have seemed right, given the criticism directed recently at the government by so many people, from street vendors to King Sihanouk.

Rumours of a coup had been rampant in Phnom Penh for some weeks. Some sources said that some generals, frustrated by their recent string of defeats at the hands of the Khmer Rouge and by what they perceived to be a lack of resolve within the government, were ready to act.

Other sources saw different direct motivations but interestingly enough, the coup members were always said to belong to one or another faction of the CPP.

Indeed the CPP, at every level, has been fighting hard to preserve or regain the political and economic advantage they enjoyed before the general elections of May 1993.

In 1991, Prince Chakkrapong, who had been closely associated to the anti-Vietnamese Sihanoukist resistance in the eighties, joined the Phnom Penh regime and became deputy prime minister in charge of foreign investment. His close association with Gen Sin Song goes back to these days of great influence and fast profits.

As a prominent member of the Phnom Penh government and of the CPP politburo, Prince Chakkrapong made numerous contacts with powerful businessmen in the region, especially in Thailand and Malaysia.

Some of our sources indicate that still recently he may have received some financial support from people who benefited from his favours in the past.

Sin Song and Chakkrapong had been stripped of their National Assembly posts after the failed secession bid.

They had been trying hard to regain their seats, but there was very firm opposition, even among CPP members, to their return to the National Assembly.

The matter of their reinstatement had been dropped a few days before the coup attempt from the agenda of the assembly, certainly a great disappointment to the two men.

What was the motive of the two conspirators?

Some sources claim that Chakkrapong said that he wanted to prevent a return of the Khmer Rouge and was in favour of a law proposed by the government to outlaw the Party of Democratic Kampuchea, while others say that he was ready to support King Sihanouk's view that banning the Khmer Rouge would be worse than trying to convince it to participate in national reconciliation.

For the government, this still somewhat mysterious coup may have been a blessing in disguise. It comes at the time when the two prime ministers are pushing hard for an anti-Khmer Rouge law and it shows that the government can handle fairly well such "public disturbances" and is in control.

The anti-Khmer Rouge law is strongly supported by officials, especially from the CPP, but no less strongly opposed by many citizens, the King and some members of the government, including two important ministers, Sam Rangsi and Prince Norodom Sirivut. The two ministers are in open conflict with Prince Ranariddh on this issue.

Sam Rangsi has gathered enough signatures from other members of the National Assembly on a petition to challenge the constitutionality of the proposed law.

The vote on the law has been delayed until July 18. It could gain a short respite for the government but the question will not go away and at the end could prove more divisive than Saturday's failed coup.

Many citizens, along with King Sihanouk, are afraid that the law would only result in more war, more money for the army, more men killed or wounded, and more instability in a country which needs development and stability more than anything else.

Vietnam

U.S. Presidential Delegation on Official Visit

Do Muoi Receives Delegation

BK0207150594 Hanoi VNA in English 1430 GMT
2 Jul 94

[Text] Hanoi VNA July 2—Party General Secretary Do Muoi received here this afternoon a high-level delegation sent by the US President to Vietnam for a working visit.

The delegation includes Mr Hershel Gober, deputy secretary of veterans affairs, Mr. Winston Lord, assistant to the secretary of state, and James Wolf, deputy assistant to the secretary of defence.

The delegation highly appreciated the goodwill and effective cooperation of the Vietnamese side in settlement of the MIA's issue, and expressed wishes that the Vietnamese side further cooperate with and create conditions for the US side to solve the problem.

The US officials attributed the growing bilateral cooperation to the considerable improvement in the two countries' relations.

Speaking to his guests, Mr Do Muoi, welcomed the US high-level delegation's working visit and the two sides' agreement to exchange liaison offices, describing it as a new step forward in the two countries' relations.

He said that Vietnam had once stated its close cooperation with the US side in solving the MIA's issue and actually it had positively realized that statement. 'The two sides have made big progress in this matter which mainly thank to the cooperation of the Vietnamese people', he said, adding that Vietnam will further cooperate with the US side to solve the remaining problems.

The Vietnamese party leader welcomed President Clinton's decision to lift the embargo and to set up liaison offices between the two countries as sound acts. He also expressed his wish that the two countries would both close the past and look forward to the future, thus soon restoring their normal relations, and facilitating cooperation and development.

He went on: 'With their painful experiences in the past, the Vietnamese people have no eager aspiration rather than to prevent war from recurrence, so that people all over the world will live forever in peace, friendship and

cooperation. It is a wish that Vietnam and the USA as well as other countries will have friendship and cooperation only, no war and no war consequences to be solved like the issues of MIA's and war victims'.

Radio Reports Delegation Activities

*BK0307104594 Hanoi Voice of Vietnam in English
1000 GMT 3 Jul 94*

[Text] A press conference was held in Hanoi Sunday morning by the American presidential delegation to Vietnam led by Deputy Secretary of Veterans' Affairs Hershel Gober, Assistant Secretary of State for East Asia and Pacific Affairs Winston Lord, and Deputy Assistant Secretary of Defense for POW-MIA Affairs James Wolf on the results of its first two working days in Hanoi.

The delegation thanked the Vietnamese Government and people for their cooperation so far in solving the MIA-POW issue and informed that at the talks with Vietnamese senior officials, the two sides had agreed to hold technical meetings to establish detailed work frames for the future. Both sides expressed the desire to increase veteran-to-veteran contacts to provide answers for American and Vietnamese families about the fate of their loved ones. They also discussed other issues of bilateral and regional nature.

The delegation left for Da Nang and Ho Chi Minh Cities the same day. It also visited a U.S.-funded prosthetic center in Thu Duc which aids Vietnamese war victims.

The delegation will leave for Laos for discussions on resolving the POW-MIA issue in the country.

Delegation's Visit Appraised

*BK0407140194 Hanoi Voice of Vietnam in English
1000 GMT 4 Jul 94*

[Report by an unidentified correspondent—portions recorded]

[Text] The U.S. high-level mission has concluded its working visit to Vietnam. The mission arrived in Hanoi on July 1 at the request of President Bill Clinton, with Winston Lord, assistant secretary of state for East Asia and Pacific Affairs; Hershel Gober, deputy secretary of Veterans' Affairs; and James Wolf, deputy assistant to the Secretary of Defense who is in charge of the POW-MIA issue as heads of the mission. This was the highest mission from the USA since the lifting of the U.S. trade embargo on Vietnam.

During its stay in Vietnam, the mission had working session with senior leaders of the Vietnamese Government in order to promote relations between the two countries, including the establishment of liaison offices in Vietnam and the USA. The mission was received by party leader Do Muoi, who warmly welcomed this visit and the agreement to exchange liaison offices, describing it as a new step forward in the two countries' relations. Mr. Do Muoi said that Vietnam has once stated its close

cooperation with the U.S. side in solving the MIA issue, especially it has positively realized of that statement [sentence as heard]. He added that the two sides have made big progress in this matter which mainly thanks to cooperation of the Vietnamese people. Mr. Do Muoi said that Vietnam will further cooperate with the U.S. side to solve the remaining problems. So far, in its unilateral searches as well as the bilateral cooperation with Vietnam to search for the remains of American servicemen missing in action in the Vietnam War, Vietnam has already returned to the U.S. side more than 580 sets of remains of U.S. servicemen missing in action. Now, more than 100 American and Vietnamese experts are conducting the searches in North, South, and Central Vietnam. The search will last till July 19.

Before concluding the working visit, the U.S. high-level mission held a press conference in Hanoi on Sunday. The mission highly appreciated and thanked the Vietnamese side for its effective and goodwill cooperation in the settlement of the MIA issue.

Speaking at the press conference on behalf of the mission, Winston Lord said:

[Begin Winston Lord recording] I, and Deputy Assistant Secretary of Defense for POW-MIA Affairs James Wolf, have completed our first two days of meetings in Hanoi. [Words indistinct] on June 28 of 1994 President Clinton has asked the delegation to continue to search for answers that will help achieve the fullest possible accounting for American POW-MIA. Participating in the delegation are also leaders of the five largest American veteran's organizations, and the National League of Families of American Prisoners of War and Missing in Action in Southeast Asia, and [words indistinct] will be providing a list of the participants in the delegation.

In Hanoi, we met with General Secretary Do Muoi, Minister of Defense Doan Khue, Foreign Minister Nguyen Manh Cam, Vice Foreign Minister Le Mai, [words indistinct] Vietnam War Veteran Association President General Quang, and other officials. Each side had extensive opportunity to present its views and talks took place in a cordial, straightforward, and productive atmosphere. In a meeting with Vietnamese officials, the delegation stressed the fact that further steps to relations between the two nations depends on additional tangible progress on POW-MIA cases. The American side reviewed the progress to date and set forth concrete proposals for future work. The Vietnamese officials pledged to continue cooperating on this issue and they indicated their willingness to undertake additional joint and unilateral action to resolve the remaining POW-MIA cases. Both sides agreed to hold technical meetings to establish a detailed work plan. During a luncheon, the delegation heard report from General Quang and other Vietnamese war veterans, both sides expressed their desire to increase veteran-to-veteran contacts to provide answers for Americans and Vietnamese families about the fates of their loved ones. The delegation also was briefed by the U.S. personnel of the Hanoi detachment

of Joint Task Force-Full Accounting. The delegation was impressed by the professionalism and commitment of all members of the Joint Task Force. [end recording]

For his part, James Wolf, assistant to the Secretary of Defense said that it is time to heal the wound of the war. We welcome the goodwill of Vietnamese Government and party leader Do Muoi, that the two countries should close the past and start to normalize relations between the two countries, thus creating conditions for cooperation.

Commentary Hails Visit

*BK0507135294 Hanoi Voice of Vietnam in English
1000 GMT 5 Jul 94*

[Station commentary]

[Text] The U.S. high-level mission headed by Hershel Gober, deputy secretary of Veterans Affairs; Winston Lord, assistant secretary of state for East Asia and Pacific Affairs; and James Wolf, deputy assistant to the Secretary of Defense who is in charge of POW-MIA issue, has concluded its working visit to Vietnam. The visit was made at the request of President Bill Clinton.

Radio the Voice of America described the visit as could lead to further action to promote the normalization of relations between the United States of America and Vietnam.

The four-day working visit was the first high-level mission to come to Vietnam after the lifting of the U.S. trade embargo on Vietnam in February. The mission included a number of American officials such as Winston Lord, who has visited Vietnam for several times.

Since early this year, Vietnam has received several missions from the U.S. Congress and government, and after their visit, they all highly appreciated Vietnam's cooperation in the search for American servicemen missing in action during the Vietnam war. Winston Lord said that Vietnam has made great contributions to the settlement of the MIA issue. During the visit, Winston Lord also expressed his sincere thanks to the Vietnamese Government for its goodwill and cooperation.

Particularly, during the visit the Vietnamese side has created favorable conditions for the mission in the U.S.-Vietnam joint search in Quang Nam-Danang and Thua Thien-Hue Provinces in the center of Vietnam.

The mission was also received by Vietnamese party leader, Mr. Do Muoi, who affirmed Vietnam's unswerving policy in the settlement of the MIA issue. Mr. Do Muoi also said that Vietnam always considers the MIA issue a merely humanitarian issue and never links it with political issue. Vietnam will continue to cooperate with the USA in the settlement of this issue.

It was clear that the main purpose of the working visit by the high-level mission of President Clinton was to further promote the settlement of the MIA issue. However,

the mission also paid attention to the normalization of relations between the two countries. They showed their optimism for the future of relations between Vietnam and the United States of America.

Now a number of American companies have come to do business in Vietnam and in the coming period a trade exhibition of Vietnam will be organized in San Francisco. This will be a great opportunity for the two countries to understand each other and to establish businesses. American businessmen are trying their best to compensate their loss in Vietnam's market.

Army Delegation Meets Counterparts in China

*BK0107084194 Hanoi VNA in English 0640 GMT
1 Jul 94*

[Text] Hanoi VNA July 1—A delegation of the General Political Department of the Vietnam People's Army led by Sr. Lt. Gen. Le Kha Phieu, Politburo member and secretary of the Communist Party of Vietnam Central Committee (CPC CC) and head of the General Political Department of the Vietnam People's Army, arrived in Beijing on June 27 for an official visit to China.

Gen. Phieu and his party were welcomed at a ceremony held in the government guest house by Sr. Lt. Gen. Yu Yongbo, member of the Communist Party of China Central Committee (CPC CC) and head of the General Political Department (GPD) of the Chinese People's Liberation Army (CPLA).

On June 28, the Vietnamese military delegation held talks with a delegation of the GPD of the CPLA. The two sides compared notes on issues of common concern. They agreed that the regular exchange of visits and meetings between leaders of the two Armies, the Political Departments, and relevant offices is necessary for the promotion of mutual understanding, thus contributing to the development of the friendship between the two Armies and peoples.

On June 30 the Vietnamese delegation was received by Sr. Lt. Gen Liu Huaqing, permanent Politburo member of the CPC Central Committee, deputy chief of the General Staff of the CPLA. The latter hailed the Vietnamese Army delegation's visit, which he said, would strengthen and consolidate the friendship ties between the two Armies and countries. He also applauded the achievements recorded by the Vietnamese people during their renovation process and expressed his confidence that the Vietnamese people under the leadership of the Communist Party of Vietnam would gain greater achievements.

For his part, Gen Phieu conveyed best greetings and wishes from General Secretary Do Muoi and other party and state leaders to General Secretary Jiang Zemin and other Chinese leaders. He also extended his congratulation on the great achievements recorded by the Chinese people over the past 20 years' implementation of the open-door policy under the leadership of the CPC, and

wished them to obtain still greater success in socialist construction. General Phieu expressed his sincere thanks to the party, the Government, the people and the Army of China for their support and assistance to the revolutionary cause of the Vietnamese people, and wished that friendship between the people and Armies of the two countries would be further consolidated and developed.

Earlier on June 29, the delegation was received by Minister of National Defence Sr. Lt. Gen Chi Haotian.

While in Beijing, the Vietnamese delegation also called at several military institutes, units, and places of historical interest.

Today, it began visiting some major provinces and cities in China.

President Le Duc Anh Receives Lao Delegation

*BK0107153394 Hanoi VNA in English 1417 GMT
1 Jul 94*

[Text] Hanoi VNA July 1—President Le Duc Anh received here this afternoon the visiting delegation of the committee of the Lao People's Revolutionary Party (LPRP) and the People's Committee of Vientiane led by its Mayor Mr. Boun-guang Volachit who is also member of the LPRP Central Committee, secretary of the Vientiane party committee.

Also present at the reception were Mr. Pham The Duyet, secretary of the Hanoi Party Committee and Hoang Tuan, deputy head of the presidential office.

Speaking at the event, Mr. Boun-guang informed President Le Duc Anh of the delegation's activities during its visit to Hanoi which, he said, aimed at further promoting the cooperation between the two cities in the fields of construction and urban management. He expressed his pleasure at the achievements recorded by the Hanoi people in particular and the Vietnamese people in general in their current renovation, describing them as a source of encouraging and valuable experience to the Lao people, the people in Vientiane especially in their national reconstruction.

President Le Duc Anh, for his part, expressed his satisfaction at the constant development of the friendly cooperation between the two cities. He said that the promotion of the multi-faceted cooperation between Hanoi and Vientiane is not only the mutual assistance between the two cities but also a contribution to the strengthening of the special friendship and all-round cooperation between Vietnam and Laos.

On this occasion, President Le Duc Anh asked the Vientiane delegation to convey his best regards to the leaders of the Lao party, government and people.

Deputy Minister Interviewed on Regional Security

*BK0107161494 Ho Chi Minh City SAIGON GIAI
PHONG in Vietnamese 14 Jun 94 p 3*

[Interview with Deputy Foreign Minister Tran Quang Co by correspondent Oanh Van at the Asia Pacific Round Table Conference "Build Trust and Reduce Regional Conflict", in Kuala Lumpur from 6-8 June attended by over 100 government and student strategic researchers from 18 countries in the region—date not given]

[Text] [Tran Quang Co] The conference was held by the "Association of ASEAN Strategic Research Institutes". There were 17 [number as published] topics. Seven main topics were discussed at the plenary sessions, while nine minor ones were discussed at three separate sessions. They included current issues such as the nuclear issue in the Korean peninsula, the East Sea conflict, the Cambodian issue, and so forth. They also included issues with strategic significance such as the future security of the Asia-Pacific region and the impact of cultural conflicts, the role of major countries in promoting regional security, preventive diplomacy, and so forth. The delegates gave their views openly on all topics including complex and controversial issues.

[SAIGON GIAI PHONG] Did the conference attendants bring up the elements that threaten regional security?

[Tran Quang Co] From the issues discussed one can see that the elements that threaten regional security are complex in nature. The conference held that regional security is threatened by:

1. Direct causes: conflicts that are beset with great risks such as nuclear weapons, the arms race in East Asia, and so forth.
2. Long-term causes: conflicts between different civilizations or economic interests.
3. Structural or global causes such as environmental issues, AIDS, and so forth.

Current issues such as the situation in the Korean Peninsula and conflicts at sea attracted the special attention of the strategists.

[SAIGON GIAI PHONG] Did the conference work out a plan or measures to eliminate the risks that threaten regional security?

[Tran Quang Co] That is the main topic for the ASEAN Regional Security Forum (ARF) to be held in Bangkok, Thailand, in July. Strategic researchers also discussed the relationship between regional security and the security of Europe and North America. There were people who held that major countries had a role in maintaining regional security, but that they should work with middle-size and small countries. There were also some researchers who urged countries to make public their policy or viewpoint on regional issues, defense policy, and so forth, in order to build trust.

[SAIGON GIAI PHONG] Did anyone propose a Southeast Asia summit?

[Tran Quang Co] Yes, there were those who said it is time for a summit for Southeast Asian countries. It is clear that for regional security in general, and security for Southeast Asia in particular, the unity of Southeast Asia is very important as it ensures its future development. It is a necessity not only for Southeast Asian countries that have been devastated by war but also for countries that have stable development.

[SAIGON GIAI PHONG] What are the prospects for a summit for Southeast Asian countries?

[Tran Quang Co] The prospects are bright. I believe countries in the region should hold this conference to welcome a new era for all Southeast Asian countries. I think this summit will establish a new model in cooperation for world development.

[SAIGON GIAI PHONG] Did the conference discuss the relationship between regional security and prosperity as well as the trend of regional cooperation?

[Tran Quang Co] The conference held that in spite of the existence of threats to regional security, the Asia Pacific will continue to be a stable and dynamic region with highest growth rates compared to other regions of the world. Therefore, the conference stressed that security is vital for the stable and regular development in the Asia Pacific region, especially East Asia.

[SAIGON GIAI PHONG] Thank you, deputy foreign minister.

Army Paper Interviews Immigration Chief

BK0107143894 Hanoi QUAN DOI NHAN DAN in Vietnamese 11 Jun 94 p 6

[Interview with Senior Colonel Dang Ngoc Anh, director of the Entry-Exit Management Department, Interior Ministry, by Hoang Huan—place and date not given]

[Summary] Answering a question about the adjustment that the Entry-Exit Management Department has made in line with the party's open-door policy in the renovation era, Colonel Anh refers to a number of new regulations and measures issued to improve efficiency and to bring Vietnam's immigration regulations closer to international rules and usual practices, such as the simplification and publication of procedures and fees. All procedures for entry, temporary residence, exit, and traveling in the country are now simpler and quicker. Reforms were also carried out in areas such as staff working attitude, service training, and so forth.

Asked to detail new features in the management policy toward foreigners in Vietnam, Colonel Anh refers to the basic decree dated 21 February 1992 which outlines general requirements and procedures for entry, temporary residence, and traveling in the country.

Requested to explain how the department has cooperated with other state agencies and the United Nations High Commission for Refugees [UNHCR] on repatriation of Vietnamese who left the country illegally, Colonel Anh says that for this task, his department has closely cooperated in the past several years with agencies of the Ministry of Labor, War Invalids, and Social Welfare; Ministry of Foreign Affairs; the UNHCR; and public security forces of various provinces and cities. "From 1990, 60,000 Vietnamese who left Vietnam illegally have been repatriated from Hong Kong, Japan, and from some ASEAN countries; the largest group was from Hong Kong (nearly 42,000 people)." Colonel Anh also reiterates Vietnam's policy toward the "Vietnamese boat people" issue in which "the party and government support voluntary repatriation on the bases of order and safety, respect to human dignity, with international financial assistance for repatriation and reintegration. Forced repatriation is not accepted."

In the last question, the correspondent asks for the Colonel Anh's opinion on recent articles on papers discussing issues relating to entry-exit management task. Colonel Anh thanks the press for articles reporting efforts of his department to reform its activities. Relating to some recent incidents on exit visas issued to a number of Vietnamese citizens, Colonel Anh complains that some papers had hastily published unconfirmed items that could cause misunderstandings among visa-issuing agencies including the Entry-Exit Management Department. He stresses that when his department sent a clarifying response to the papers, they did not publish it as required by the Press Law.

Colonel Anh concludes the interview by stressing the determination of his department in further advancing the renovation process to make the department capable of handling demanding duties in the new situation.

Finance Minister Interviewed on Budget

BK0107145394 Hanoi QUAN DOI NHAN DAN in Vietnamese 11 Jun 94 p 2

[Interview with Finance Minister Ho Te by correspondents Xuan Phuong and Due Khang; date and place not given: "Balancing the Budget: Implementation of This Heavy Task Requires Cooperation Among All Sectors and Branches"—first paragraph is QUAN DOI NHAN DAN introduction]

[Text] At the Ninth National Assembly's Fifth Session, along with the affirmation that the economic and financial improvements of the past few years have been maintained and developed during the first six months, the government report presented by Deputy Prime Minister Phan Van Khai also clearly stated the extreme difficulty in balancing the national budget. Grave difficulties and great challenges call for good coordination among different levels and sectors to implement the outlined measures. In the following interview, Minister

Ho Te further clarifies the conceptions, realities, and measures in dealing with this issue.

[QUAN DOI NHAN DAN] Dear minister: How has the task of balancing the state budget been implemented in the first months of 1994?

[Ho Te] First of all, we must confirm that the 1994 state budget implements a new structure that conforms with the spirit of the party congress, National Assembly, and government resolutions. It is based on three principles:

1. To ensure an increase in domestic revenue, meet the spending demands for regular expenses in a timely manner, allocate part of our increasing savings for investment in infrastructure construction and economic development, thoroughly understand our conceptions on the practice of frugality in all areas, and guarantee fairness and reasonableness among different regions in the country.

2. To ensure a harmonious balance between demands for economic growth and demands for educational, cultural, and social development while at the same time providing a guarantee of meeting the spending demands for national defense and security.

3. In 1994, under the new guidelines, most production and business projects that enable investors to regain start-up capital must obtain loans for their capital construction investments. They must be responsible for the repayment of their loans. It can be seen that the 500-kilovolt north-south electricity transmission line, built under the old system, is still funded by the state budget in 1994. Other power projects—such as Thac Mo, Yaly, Vinh Son, and so forth—will obtain loans for their construction. In reality, not everyone is accustomed to the new funding method and we need more time for the change. Therefore, at the moment, the state budget must still provide a total of more than 200 billion dong in temporary funding.

The responsibility of the 1994 state budget, as empowered by the National Assembly and government, is very great. We must deal with the "whole package" of spending on the second stage of wage reform, ensure new cultural and social development steps, meet spending demands for national defense and security in view of the new situation and duties, reserve a portion for savings, and especially provide increasing funding for capital construction (at a rate of 10-12 percent). Consequently, overspending is still great. This is due to the fact that spending must be concentrated on key projects for the development of industry, agriculture, and communications and transportation. These projects were included in the planning many years ago but still require capital for work to progress.

The implementation of the state budget over the past six months has brought about positive changes, leading to comprehensive progress with higher development rates than in the same period of previous years in the fields of production, circulation, finance, money, and foreign

trade. It is estimated that in the first six months of this year, total budget revenues will reach 43.9 percent of the yearly plan, an increase of 48.4 percent over the same period in 1993. Revenue collected from import-export taxes, fees, charges, and so forth has been good. Import-export taxes will reach 45.3 percent of the yearly plan, an increase of 133.3 percent over the same period last year. Revenue collected from the lottery will reach 53 percent, an increase of 56.7 percent over the same period last year. Finally, revenue collected from the transfer of land usage rights will reach 58 percent of the plan, three times more than the same period last year.

[QUAN DOI NHAN DAN] As the targets for budget revenue and expenditure from now until the end of the year are great, do you have any solutions to satisfactorily manage the budget and attain these targets?

[Ho Te] From now until the end of the year, we must complete collecting the remaining 56 percent of state revenue and for the remaining 57 percent of our nation's expenditure. On the average, each month from now we must collect revenue and dispense budget allocations at respectively 1.5 and 1.66 times quicker than we did in previous months. This task demands great efforts from the Ministry of Finance, other ministries, sectors, and localities. To ensure sufficient money to offset shortfalls in the budget, we must continue to seek six-month loans with appropriate interest rates, while striving to obtain longer-term loans with rational, and low-interest rates. Moreover, we must also strive to negotiate and seek foreign loans in accordance with the plan.

Most importantly, we must mobilize all capabilities to strengthen the collection of state revenue both at state-run and privately-run enterprises, export-import taxes, and tax on land use, and so forth. The Ministry of Finance has instructed the General Revenue Department to review the registration of business establishments and check their business turnovers on a daily and monthly basis. We must strive to perfect the tax collection system at border passes, while coordinating with various sectors to guide and strengthen inspection work. Efforts must be made to perfect the system and method of tax collection in the real estate business. We must improve the capability of collection teams to overcome shortfalls in tax collection and take prompt action against tax evaders and those who fail to report on their business turnovers in accordance with the law.

In this spirit, the Ministry of Finance in early May instructed the tax sector to hold a conference of its agencies to launch a campaign to increase revenue collection. During the conference President Le Duc Anh sent a bouquet of greetings and a letter of encouragement—a great honor for the tax sector, while Deputy Prime Minister Phan Van Khai, on behalf of the Prime Minister and the government, pointed out eight essential tasks that needs to be carried out to fulfill the 1994 tax collection targets.

As for expenditure, we will continue to review various expenditure items to see which are covered by ODA [overseas development aid], which are directly financed by the national budget, and which are covered by funds obtained from domestic loans. We must control and work out plans to manage the capital of state enterprises. We must improve the accounting of activities of enterprises, effectively carry out inspection and control activities, put these activities on the right track, and resolutely fight all signs of negativism and corruption within our sector. Meanwhile, specific attention must be given to ensure that the target for each ministry, sector, and locality to reduce its budget expenditure by five percent is achieved. As of mid-May, only 47 ministries and central organs and 17 provinces and cities have drawn up savings plans. Ten ministries have pledged in their plans to save 1,357 billion dong (including 382 billion dong from infrastructure construction and 32 billion dong from administrative and service expenditure). By correctly complying with set stipulations, we will be able to help resolve the current budget balancing issue.

The above measures require the various sectors and echelons to cooperate to achieve unanimity in their ideas and views on how to deal with specific issues. Only by doing so can we resolve the current "budget tightness" and contribute to spurring socioeconomic growth in the new era.

Regarding expenditures, although our budgets are constrained, efforts have been made to meet the main part of financial requirements for key and significant capital construction projects—especially the north-south 500-kilovolt powerline; the Thang Long-Noi Bai road; and other water conservation, dam and dike, communications, and transportation projects. In addition, we have to advance capital for the construction of the Yaly, Vinh Son, and Thac Mo hydroelectric power projects. Capital for these projects will be derived not from the state budget but from foreign loans. It is expected that 4.6 trillion dong will be provided for these projects during the first half of this year, or 40 percent of the set target. This is a 15 percent increase over the corresponding period last year. Although debt payments (both at home and abroad) and regular expenditures are huge, we are striving to meet the main part of this demand. In our allotments, we have paid special attention to providing sufficient funds for various national projects, such as population and family planning, public health, planting trees on barren land and hills, and employment. Budgets for state capital construction projects and allotments for the provinces and various projects under the jurisdiction of ministries in 1994 are twice as large as last year. In addition to subsidizing transportation fees for seven categories of goods to the mountain regions, the government has decided to provide four kinds of goods to our countrymen in the highlands areas.

[QUAN DOI NHAN DAN] There have been shortfalls in the targets for revenue collection and expenditures, thus causing problems in balancing the state budget. Mr. Minister, could you comment on this issue?

[Ho Te] The estimated national budget approved by the National Assembly carries a deficit of 5.2 percent of GDP (Gross Domestic Product). We need loans to offset this deficit and more loans to pay debts at home and abroad. It is a very great demand and a difficult task to fulfill. This is because in seeking loans we must comply with the National Assembly resolution on providing an appropriate interest rate on a medium and long-term basis. While the possibilities for foreign loans are ample, we are in the process of seeking loans at rational, low interest rates. Moreover, the mobilization of capital credits has not been effective, thus creating difficulties for payments through the credit system. For this reason, we have experienced imbalances in various areas. While the estimated state budget is not large, many huge and unexpected expenditures are pending. These include wages for public health workers at the grassroots level, payments for village cadres, and other expenditures. There is great pressure in handling the national budget. It must be said that over the past months many state enterprises did not carry out revenue collection work satisfactorily, while the financial sector failed to accelerate the implementation of this task vigorously. The phenomena of usurping state revenues as capital for construction, production, and business projects is still prevalent. Allotments for a number of programs and projects are not large enough. Sectors and localities are reviewing, verifying, and approving projects slowly and changes in the management mechanism are frequent. Concerning the payment of the adjusted salary for civil servants in the second phase, various ministries and provinces have slowly completed the procedures for this purpose. Thus the application of this system will begin in May 1994.

Paper Details Activities of Economic Zones

BK0107152494 Hanoi QUAN DOI NHAN DAN in Vietnamese 12 Jun 94 p 3

[Article by Duong Ha: "U.S.\$4.4 Billion From Six EPZ's"]

[Summary] "In mid-April, the State Commission for Cooperation and Investment [SCCI] issued a license to Noi Bai Development Ltd Company for construction and sale of infrastructure facilities of Noi Bai Economic Processing Zone [EPZ] in Hanoi. From September 1991 when Tan Thuan EPZ, the first EPZ licensed in Vietnam, until now we have a total of six EPZ's so far."

The six EPZ's occupy a total acreage of 937 hectares of land with an infrastructural construction cost of about \$315 million. Enterprises in the EPZ's are eligible for a tax rate of 10 percent for production establishments, and 15 percent for services.

—Tan Thuan EPZ: in Ho Chi Minh City; licensed in September 1991; 300 hectares; investment capital \$89 million.

—Linh Trung EPZ: in Ho Chi Minh City; licensed in August 1992; 60 hectares; investment capital \$14 million.

- Haiphong EPZ: in Haiphong City; licensed in January 1993; 300 hectares; investment capital \$150 million.
- Danang EPZ: in Danang City; licensed in October 1993; 120 hectares; investment capital \$24 million.
- Can Tho EPZ: in Can Tho City; licensed in November 1993; 57 hectares; investment capital \$8.1 million.
- Noi Bai EPZ: in Hanoi next to International Airport of Noi Bai; licensed in April 1994; 100 hectares; investment capital \$29.9 million (Stage 1).

"The SCCI estimates that the average investment capital of an enterprise in an EPZ is \$4.3 million, and each hectare of land in an EPZ would be able to produce an amount of goods for export worth \$4.7 million, and employ 192 laborers. Once completed, the six EPZ's will produce a mass of goods worth \$4.4 billion annually and employ more than 80,000 workers."

In the last three years, over 100 companies of 25 countries have registered for places in the three Tan Thuan, Linh Trung, and Haiphong EPZ's. Most of these companies are small, and they invest mainly in garment, textile, food processing, sports gear, electronic games, and so forth.

Since the EPZ model is still new to Vietnam, the legal framework and the staff management ability for EPZ are areas that still need extensive improvement.

* Editorial on Industrialization, Modernization

942E0050A Hanoi NHAN DAN in Vietnamese
30 Apr 94 pp 1, 4

[Editorial: "For the Cause of Industrializing and Modernizing the Country"]

[Text] The Vietnamese working class, having been born in and growing up in the bosom of the nation, is closely connected with the leadership of its vanguard, the Communist Party of Vietnam. Thanks to this, the working class has developed continuously and has firmly maintained its historic role. This led the advance of the Vietnamese revolution.

Despite the many difficulties encountered when the country embarked on the undertaking and renovation, initiated and led by our party, and while the economy gradually shifted from the mechanism of centralism and state subsidies to the socialist-oriented market mechanism, the working class has overcome severe trials. It has made important contributions in several socioeconomic domains, consolidated national defense and security, firmly maintained political stability, and continued to take the lead in the renovation undertaking. The majority of workers have clearly shown their ability to adapt quickly to the market mechanism, familiarized themselves with modern technology, made important contributions to a number of state-run businesses surmount trials, created conditions for development, and have transformed some trades into economic spearheads. They have engaged in creative labor and improved and built a great deal of infrastructure and

new projects, quickly changing the face of the nation and gradually extricating the country from the socioeconomic crisis.

However, in the early stages of the shift to the multisectoral economic system in accordance with the market mechanism, its force is varied and not homogeneous. This is because the working class is still in the process of changing its social structure and integrating into the community of economic sectors. Although life has improved in some respects, the standard of living for workers and laborers in general remains low compared with that of society as a whole; moreover, it is not stable. The working environment has not yet been improved, and poor working conditions have seriously affected the health of a section of workers, in particular women workers and workers in the nonstate sector. A section of workers (chiefly in the state sector) has been forced out of the production line and become unemployed; another section leads a life of depravity alien to the nature of the working class. The knowledge, professional skills, specialities, scientific and technological standards, and marketing ability of most workers remains poor.

At present, it is the wish of broad sections of workers to see the country enjoy stability and become developed. It is also their wish to be employed, have income commensurate with their labor, and to be the real owners of their labor power and businesses. This aspiration totally conforms with the wish of the party and society as a whole. To this end, there is no other choice than to industrialize and modernize the country step by step. A decisive factor ensuring the success of this undertaking is the human factor, of which the working class holds the central position. Therefore, developing the working class so that they will measure up to the task of national industrialization and modernization has become a pressing requirement for the party, the state, and the various sociopolitical organizations.

The task of developing a strong working class must be carried out on the basis of party and state mechanisms and policies that embody and clearly reflect the standpoint and position of the working class and that link class interests with national interests. It is of primary importance to promulgate at an early date mechanisms and policies aimed at creating a moving force for the working class and to basically renovate the organization and management mechanism of state-run businesses to guarantee the right of businesses to independence in business activities in the market mechanism while ensuring state control and creating proper conditions for workers to become the real owners of their businesses. We must attach special importance to training in order to improve the standards of workers and laborers and eventually to transform an important section of the working class into intellectuals. Only in this way will the working class be able to come into contact with and master new technologies. While caring for the material interests of the working class, we must pay utmost attention to carrying out propaganda and educational work in the class to maintain its socialist orientation, to develop a civilized

way of life and work style, and to promote a workers movement for the cultivation of a culture-marked way of life, particularly for the development of a work style suitable for modern technology, earnestness, dynamism, a sense of organization and discipline, and a liking for creative activities. We must see to it that the working class clearly realizes that its mission at this juncture is to struggle for peace, national independence, democracy, and social progress.

Marking the National Reunification Day and May Day, the greater pride the working class takes in its tradition, the better it understands its mission and the further it upholds its responsibility to serve as the activist of the workers-peasants-intellectuals alliance and to unite all the people in order to deliver the country from poverty and backwardness and to promote the cause of making the people prosperous, the country powerful, and society equitable and civilized.

Australia

PRC Protests Plans for Islanders To Meet Taiwanese

LD0507092194 Melbourne Radio Australia in English 0700 GMT 5 Jul 94

[Text] China has lodged a protest over plans for Taiwanese representatives to meet Pacific Island leaders after the South Pacific Forum in Australia. Heads of government from 15 South Pacific nations, including Australia, will meet in Brisbane from 31 July to 2 August for the 25th South Pacific Forum.

Australian Foreign Affairs officials say China has raised objections in Canberra and Beijing over forum plans for Taiwanese representatives to meet Pacific Island leaders a few days after the forum ends. Officials say Australia has told China it is merely the host country for the forum and that it was a forum decision, not Australia's, to schedule the meeting with Taiwanese representatives.

Taiwan Says PRC 'Unreasonable'

BK0507104094 Hong Kong AFP in English 0845 GMT 5 Jul 94

[Text] Canberra, July 5 (AFP)—Taiwan on Tuesday accused China of being unreasonable by protesting to Canberra about its facilitation of a meeting between a Taiwanese delegation and Pacific Island leaders. China has complained to Australia because, as host country for this year's South Pacific Forum, it will allow Taiwan to meet member nations in post-forum dialogue under a 1992 forum agreement.

"There is no reason to protest," said Samuel Chen, a spokesman for the Taipei Economic and Cultural Office in Canberra. The office effectively fulfills the role of diplomatic mission as Australia recognises mainland China and not Taiwan because of Beijing's sensitivity over its so-called 'One-China' policy.

The annual South Pacific Forum meeting, which is held in a different nation each year, brings together leaders from 13 island states including the prime ministers of Australia and New Zealand. It is followed by a post-forum dialogue between islands' representatives and large countries with an interest in the islands region—Britain, Canada, China, the European Community, France, Japan and the United States.

Despite the protest by mainland China the forum meeting in the Solomon Islands in 1992 agreed that in future there would be additional meetings with Taiwan, recognised diplomatically by the Solomon Islands, Tonga, Nauru and Tuvalu.

Sensitivity has been heightened this year because Australia will be the first forum country which recognises China to host a Taiwanese delegation after the forum. The meeting has been deliberately organised for the

Gold Coast on August 5, after the conclusion of the official forum and post-forum dialogue in Brisbane.

Australian officials in Canberra have said that concern has been formally expressed in strong language by the Chinese Government to Foreign Affairs Department diplomats in both Beijing and Canberra.

China is believed to be considering further protest action by reducing the seniority of its delegation to the post-forum dialogue in Brisbane.

Chen said Taiwan was "unhappy" that the Australian Government had decided to organise the dialogue with Taiwan on the Gold Coast because the 1992 decision was for sessions involving Taiwan at the same venue as other talks on a separate day.

Evans Sees 'De Facto' Military Link With Indonesia

BK0207133194 Melbourne Radio Australia in English 1100 GMT 2 Jul 94

[Text] The Australian minister for foreign affairs, Gareth Evans, has foreshadowed closer military cooperation between Australia and Indonesia. Speaking to journalists in Jakarta after attending a seminar, Senator Evans said the military ties will probably not be as formalized as the alliance linking Australia with Malaysia and Singapore under the Five Power Defense Arrangement. That alliance also includes Britain and New Zealand.

Senator Evans said he believed that over time there would be a de facto military link between Australia and Indonesia that would reach the same degree as the relationship between Australia and both Malaysia and Singapore. He also said he had no doubt that Indonesia could, at some stage, take part in the regular Kangaroo defense exercises across northern Australia which involves Australian and United States troops. In recent years, Singapore has also participated.

Senator Evans said Indonesia and other regional countries were already beginning to cooperate on security issues. In a speech to the seminar, Senator Evans said the days when security concerns determined Australia's attitude to Indonesia had long past.

Ambassador on Burma's Attendance at ASEAN Meeting

BK0407130294 Melbourne Radio Australia in English 0630 GMT 4 Jul 94

[From the "International Report" program]

[Text] Australia's Burma policy is in disarray as the country's ruling junta gears up for a major breakthrough in regional recognition. Despite protests from the United States and opposition groups, Burma will for the first time attend an ASEAN summit of Southeast Asian nations in Bangkok later this month. Evan Williams has just returned from Burma and filed this report on human

rights conditions and the increasingly ineffective policies of Western countries like Australia:

[Begin recording] [Williams] This month, Burma's military rulers end 30 years of isolation. At the ASEAN summit in Bangkok, (?they'll strike) the regional stage as a legitimate government despite ignoring an election that voted them out of power and detaining those who won.

[Ambassador Stuart Hume] It marks a quantum step forward in Burma's integration of the region, if you like. It's a process of joining the mainstream of regional developments and regional arrangements.

[Williams] Australian Ambassador to Burma Stuart Hume says Canberra hopes ASEAN will use Burma's desire for greater regional recognition as leverage for human rights and political reforms:

[Hume] Where Burma is granted, if you like, rather than getting acceptance by the region, that ought to be measured by improvements in the human rights and political reform process, that I would like to see it achieved here. [sentence as heard]

[Williams] But Burma has been invited to ASEAN with no significant advances. Several hundred political prisoners, including 11 key leaders, remain in jail. Popular leader Aung San Suu Kyi is still under house arrest and the military is manipulating a new constitution to ensure it has a leading political role after new elections. People are still forced to porter for the army or work on development projects, freedom of speech is banned, dissent of any form is not tolerated. On the other hand, hundreds of political prisoners have been released, the UN is allowed human rights visits to the country and to oversee the repatriation of Muslim refugees once hounded out of the country. There are reforms, but not enough to undermine the military's grip on power. ASEAN says it all takes time and the only way to achieve real change is by talking to Rangoon, but countries like Australia must now question whether ASEAN is getting enough in return for this so-called constructive engagement.

[Hume] I think, Evan, it's a process of establishing benchmarks, if you like, by which when certain points or marks [words indistinct] from the reform process and the process of democratization. Then it's appropriate that

there be a response, if you like, a positive response and encouragement from the international community, including Australia.

[Williams] Doesn't that let them off the hook, by the human rights and the pro-democracy hook?

[Hume] Not at all. It assumes that our objectives can be achieved by perhaps looking or taking a fresh approach to the situation taking into account the changed circumstances which are at work in this country, taking account of its increased integration of its region.

[Williams] Opposition groups certainly don't think that will be enough, and the U.S. State Department does not believe there has been enough improvement to warrant Burma's invitation to ASEAN. But that invitation highlights the increasing irrelevance of U.S. and Australian policies as Burma attracts more foreign investment, especially from Asia. Before declaring its new approach, Australia is waiting to see what if anything ASEAN gets in return for Burma's new legitimacy. The generals may step back from the limelight but it doesn't mean they'll give up any real power. [end recording]

Keating Sees Continuing Growth, Low Inflation

*BK0507084094 Melbourne Radio Australia in English
0500 GMT 5 Jul 94*

[Text] Australia's prime minister, Paul Keating, says he is confident of a sustained recovery which will end the cycle of the nation's so-called boom and bust style economy. David Spicer reports that Mr. Keating has told business leaders in Sydney the government will not rely on raising interest rates to keep inflation in check.

[Begin Spicer recording] Mr. Keating said Australia can expect to see continuing strong growth with low inflation. He says the past pattern of a roller coaster ride for commodity prices has not eventuated because different countries are emerging from the recession at different paces. The prime minister told a financial review conference that the pattern of a rolling recovery is reflected overseas, which augers well for traders and the stability of the Australian dollar. Mr. Keating says although monetary policy is important in controlling inflation, the government is looking to wage restraint, workplace reform, a reduced budget deficit as well as flexible interest rates to maintain a low inflation culture. [end recording]

